Investing → Made easy

AJ Bell plc
Annual Report and Accounts 2024

As one of the UK's leading investment platforms, our aim is to help our customers take control of their investments. We want them to have peace of mind because they are investing in their future, and closing the gap between where they are today and their aspirations for later in life.

That's why everything we do, from our great-value products to our expert customer service, is designed to **make investing easier.**

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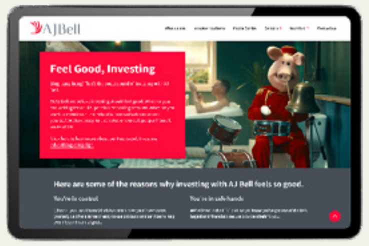
Other information



Find out how we are **making investing easy** and more at

ajbell.co.uk/group

Performance highlights

Assets under administration (AUA)[1]
£92.2bn
+21%

Revenue
£269.4m
+23%

Total customers[1]
557,000
+13%

Profit before tax (PBT)
£113.3m
+29%

Highlights

- **Delivered excellent customer service**
  4.8-star Trustpilot score
- **Investing in our easy-to-use propositions**
  Reduced charges on both our advised and D2C platform propositions
- **Impressive customer growth**
  Total platform customers surpassed half a million
- **Record financial performance**
  Achieved record AUA, revenue and PBT

1. Total assets under administration (AUA) and customers include non-platform AUA and customers. See pages 22 and 23 for definitions of Alternative Performance Measures.

How we are **making investing easy**

Why we exist

Our purpose is to help people invest

We want to make investing as easy as possible for our customers to enable them to take control of their finances and realise their financial goals.

What we do

We serve the needs of our customers

We offer a range of products to help our customers and advisers achieve their financial goals.

Advised market		D2C market	
AJBell Investcentre	AJBell Touch	AJBell	AJBell Dodl

How we do it

We make investing easy

Our business model and strategy contain the key focus areas and activities that ensure we achieve our purpose of helping people to invest. There are three strategic drivers that harness what we deliver to customers and advisers and how we do it.

- **Ease of use** – We make it easy for customers to invest
- **Trust** – We earn the trust of our customers
- **Low-cost** – We offer great value to our customers

Our guiding principles are the foundation of our company culture. They help drive our behaviours and decisions and remind us that customers are at the heart of everything we do.

- **Principled** – We act with integrity
- **Knowledgeable** – We know our stuff
- **Straightforward** – We simplify the complex
- **Personal** – We put people first
- **Ambitious** – We set high standards

Who we deliver for

We are creating sustainable value…

…for our stakeholders…

- Our customers and their advisers
- Our people
- Our shareholders
- Other stakeholders

…by growing our business responsibly

- Responsible propositions
- Responsible employer
- Supporting our local communities
- Environmental awareness

Complex → Simplified

We develop our platform with a focus on making it easy to invest. For over 25 years, AJ Bell has been providing award-winning products and services to make investing easy and affordable. We take the fear out of investing for our customers and advisers, with our **easy-to-use**, no nonsense propositions.

> We have been AJ Bell clients for almost four years. We are both in our 70s and were new to investing. The website is easy to navigate and packed with information for novices like us. They made it so easy. On the occasions we've had to speak to Dealing Services, Customer Services etc everyone has been easy to talk to – professional, polite, knowledgeable and very helpful. The weekly Shares Magazine they produce has really helped us – it feels like it's written just for us!

Gilly Groom
AJ Bell customer

Trustpilot

Why invest in AJ Bell?

"Since our IPO in 2018 we have delivered consistently strong organic growth in customers and AUA, driving market share gains in the growing platform market. This growth, combined with our efficient business model, has delivered high levels of profitability and cash generation, enabling us to pay a progressive ordinary dividend each year. Our focus on providing easy-to-use, low-cost products alongside market-leading customer service means that we are well-positioned to continue to capitalise on the significant growth opportunity."

Michael Summersgill
Chief Executive Officer

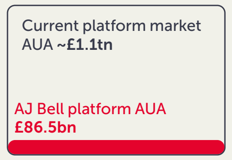
1 Our market

See p16

A growing market within the UK retail savings and investment industry

- The platform market continues to benefit from long-term structural growth in society and demographics, government legislation, and technology.

Total addressable market
£3tn



2 Our propositions

See p10

An award-winning platform operating in both advised and D2C market segments, with in-house investment solutions

- We continually invest in our propositions with a focus on ease of use, delivering a number of developments in the year.
- Our range of simple, low-cost investment solutions continues to perform exceptionally well with total AUM increasing by 45% to £6.8 billion.

Trustpilot
Excellent 4.8/5

March 2024
Which? Recommended Provider
General Investment Accounts

3 Our customers

See p12

A growing base of loyal, high-quality customers

- Total platform customers surpassed half a million this year, increasing from just below 200,000 when we listed in 2018.
- We introduced significant pricing reductions during the year, sharing the benefits of scale to remain highly competitive in the market.

New customers in FY24
66,000

Customer retention rate
94.2%

4 Our people

See p34

An entrepreneurial management team and a highly engaged workforce

- Certified as a Great Place to Work with a total score of 83%, placing us amongst the best large companies in the country.
- We continue to encourage our staff to share in the success of our business, with record numbers of employees partaking in share ownership in the year.

Staff with shares in AJ Bell
79%

Great Place To Work. Certified SEP 2024-SEP 2025 UK

5 Our business model

See p20

A profitable and scalable platform with long-term margin expansion opportunities

- Our dual-channel platform delivered another period of strong organic growth.
- Our single operating model ensures efficiency in serving both markets and provides us with opportunities for margin improvements.

PBT margin
42.0%

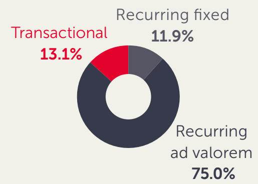
6 Quality of earnings

See p54

Largely recurring revenue, from a diversified mix of revenue streams

- Our diversified revenue model is resilient in different macroeconomic conditions, delivering strong revenue growth of 23% in FY24.
- Improved retail investor sentiment and strong equity markets have helped to drive custody fees and transactional fees higher in FY24.

Diversified mix of revenue types
£269.4m



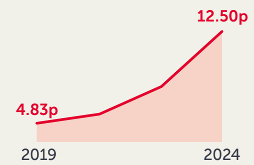
7 Cash generation

See p54

A highly cash-generative and capital light model which supports a progressive annual ordinary dividend

- Net cash generated from operations totalled £96.3 million, with cash balances reaching £196.7 million at the year end.
- Total ordinary dividend of 12.50 pence per share and returning up to £30 million of surplus capital in the form of share buybacks in FY25.

Successive years of ordinary dividend growth
20 years



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Building on a **strong culture**

> "AJ Bell rightly prides itself on its open and transparent culture which permeates throughout the whole organisation."
>
> **Fiona Clutterbuck**
> Chair

Dear shareholder

This year I have thoroughly enjoyed immersing myself in the business to gain a deeper understanding of its drivers and culture. AJ Bell is a fantastic business; with a strong management team, collaborative Board and a track record of delivering growth. Our dual-channel business model is a real strength in the investment platform market and our focus on ease of use and low-cost, ensures we are well-positioned to deliver sustainable growth for the longer-term.

We have delivered an excellent set of results this year with PBT of £113.3 million. Over the past 12 months customer numbers increased by 66,000 to 557,000 and we delivered £6.1 billion of net inflows, ending the year with total AUA of £92.2 billion. Our strong performance reflects the investment we have made in our brand and propositions and our ongoing commitment to deliver excellent customer service, alongside improved retail investor confidence. Michael discusses our business performance and strategic progress in more detail on pages 8 to 15.

This year the Board's primary areas of focus were succession planning at both Board and Executive Committee (ExCo) level and onboarding of new members, as well as ensuring that the right strategy is adopted to deliver sustainable success for the Company. As a Board we have aimed to support and appropriately challenge ExCo on their strategic priorities, for the benefit of all our stakeholders.

Culture, purpose and stakeholder engagement

The Board plays a crucial role in shaping and embedding a strong and healthy culture by endorsing the core values and principles of the Group. The Board receives updates and feedback on staff engagement and regularly reviews its culture dashboard to monitor how we nurture our strong culture and ensure it remains a real strength as we continue to grow.

One of my priorities as Chair is to ensure that the voice of our stakeholders is heard and represented in Board discussions. We welcomed the opportunity to engage with our staff and shareholders in person again this year, providing invaluable insight into the operation and culture of our business. Throughout this year our senior management team and Board have connected with our staff through various platforms including hosting in-person and virtual leadership sessions, participating in our annual manager's day, attending talent networking events and regular employee surveys.

Positive, meaningful staff engagement is key to realising our strategic objectives and so as the nominated Employee Engagement Director I engaged with our Employee Voice Forum (EVF) members during the year to gather insights on a range of topics that directly impact our company's growth and direction.

Alongside fellow Non-Executive Directors (NED) and our CFO, Peter Birch, we discussed hybrid working, our culture, and the future role of artificial intelligence (AI) in supporting our operations. These have been high-quality debates and the forum has been invaluable for fostering discussions and ideas. It has been great to witness the high level of engagement and the initiatives that have emerged from these sessions.

This year we participated in the Great Place to Work survey for the first time, having previously used Best Companies to measure employee engagement. We were delighted to receive a score of 83% which places us amongst the best large companies in the country.

We have maintained a high level of engagement with existing and potential shareholders this year and I have spent time with our shareholders to hear their views. It was important this year for us to engage with our larger shareholders on proposed changes to our Remuneration Policy. Our Chair of the Remuneration Committee, Margaret Hassall, led the consultation exercise which demonstrated there is strong support for the proposals that will be put to a vote at our AGM in January 2025.

Board changes and succession

As reported last year, we were pleased to welcome Fiona Fry to the Board as an independent Non-Executive Director. Following regulatory approval in March 2024, Fiona was appointed Chair of the Risk & Compliance Committee, succeeding Simon Turner who completed nine years' service and stepped down from the Board on 31 March 2024. On behalf of the Board I would like to thank Simon for his significant contribution to the Company during his tenure and particularly for his support with the succession process for the Chair of Risk & Compliance Committee and ensuring a smooth handover to Fiona.

We were also delighted to welcome Julie Chakraverty to the Board on 1 June 2024, concluding our search for a further independent Non-Executive Director. Julie brings more than 30 years' experience in the financial services, consumer and cyber sectors which will be invaluable to the Board as we continue to focus on our strategic priorities.

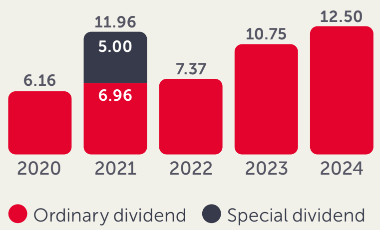
The Board values diverse skills, experience and perspectives around the board table. With the appointments of Fiona and Julie during the year, our position has strengthened. The recent external Board evaluation and results from work commissioned on cognitive diversity confirmed that we have well-rounded Board skills and diverse thinking across the Board and ExCo. Whilst we are pleased with the results and our progress to date in meeting the diversity requirements of the FCA Listing rules and Parker Review recommendations, we acknowledge there is still more to be done to continue to drive greater diversity. Our challenge for the year ahead will be how we can enhance this at both Board and ExCo levels.

Finally, in September we announced that Roger Stott will retire from the Board at the end of the year, after 16 years with AJ Bell, the final three of which were served as COO. Roger has been an excellent thought leader and ambassador and has played a significant role in the success of the business. I would like to extend my gratitude to Roger for his outstanding contribution to the Board and Company over many years, and especially for his support and guidance during my first year as Chair. We wish him all the very best for the future.

Further details on Board changes can be found in the Nomination Committee report on pages 84 to 87.

Five-year dividend growth

pence



Dividend

In line with our commitment to a progressive dividend, the Board is pleased to announce a final ordinary dividend of 8.25 pence per share, reflecting the financial performance of the business and strong capital position. The final ordinary dividend will be paid, subject to shareholder approval, at our AGM on 29 January 2025, to shareholders on the register at the close of business on 10 January 2025.

This brings the total ordinary dividend for the financial year to 12.50 pence per share, representing an increase of 16% on the previous year.

During the year the Board approved a new capital allocation framework. This reaffirmed our commitment to continue to invest in our organic growth plans and pay a progressive annual ordinary dividend. We have also committed to reviewing our capital position annually and will consider returning any surplus funds to shareholders through a share buyback or special dividend, in accordance with our Capital Allocation Policy. The Board is pleased to announce recent approval of our plan to return up to £30 million through a share buyback programme in the upcoming financial year.

Consideration of our wider stakeholders in some of our key decisions in the year is outlined in our Section 172 statement on pages 26 and 27.

Looking ahead

AJ Bell is a financially strong business as evidenced by a profitable, well-capitalised and highly cash-generative business model. The business has a track record of delivering growth and has a clear strategy to ensure that this continues. Although we have seen improvements in the macroeconomic environment this year, geopolitical uncertainties continue. The recent Budget announcements, particularly around increases in capital gains tax and bringing unspent pension assets under the inheritance tax regime will also have an impact on some of our customers. Whilst these factors may present some challenges, it is clear that the fundamental growth drivers for the platform market remain firmly in place. The Board remains confident in the long-term prospects of the business.

I have thoroughly enjoyed being part of the team and am hugely proud of our achievements in 2024. On behalf of the Board I would like to thank our management team and all of our people for their hard work and commitment this year and I look forward to another successful year ahead.

Fiona Clutterbuck
Chair

4 December 2024

Board priorities

Growth and efficiency

The business has delivered another excellent set of results in 2024, with impressive growth in both our customers and AUA. I fully recognise the importance of sustaining strong growth while also managing our cost base amid an unpredictable macroeconomic and political landscape. The Board's focus in the upcoming year will be on ensuring ExCo strikes an appropriate balance between growth and efficiency, continuing to deliver our growth plans whilst also realising operational gearing.

Consumer Duty

Good customer outcomes are at the heart of everything we do, with good value products, simple communications and strong processes to support our customers. Our Consumer Duty implementation programme enabled us to strengthen our foundations and leverage new frameworks, tools and processes to further enhance the delivery of good consumer outcomes.

This year we completed our first annual Consumer Duty assessment. Whilst we are confident that we are operating in line with the requirements of the Duty, we recognise that embedding the Duty is a journey and there are opportunities to further enhance our business processes and continue to improve our customer offering. The Board's focus will be on maintaining oversight to ensure the business is delivering good consumer outcomes for its customers which are consistent with the Consumer Duty.

Executive succession

Succession planning for ExCo and other senior management has been a key priority for FY24. A comprehensive review took place during the year to evaluate our overall talent pool within the Company. It is gratifying to note the number of internal candidates identified, showcasing the effectiveness of personal development and career advancement at AJ Bell. We also continue to evaluate the market to identify external talent, ensuring a diverse senior management team in the future. The Board will maintain oversight and challenge the progress of our succession planning at ExCo level, and we anticipate further enhancements in the upcoming year.

Focused on **long-term growth**

> "Our easy-to-use, low-cost platform and market-leading customer service place us at the forefront of the UK investment platform market, ready to capitalise on the significant long-term growth opportunity."
>
> **Michael Summersgill**
> Chief Executive Officer

Consistently strong growth

I am pleased to report on another excellent year in which we have delivered strong growth in customers and AUA. Our dual-channel approach to the platform market means we benefit from growth in both the advised and D2C sub-sectors of the market. This is set to continue, with approximately two-thirds of the estimated £3 trillion total addressable market still held off-platform.

We continue to increase our share of the growing UK investment platform market, both by attracting new customers entering the market for the first time and by attracting customers to AJ Bell from other platforms.

Over the past year we have reduced fees for our customers, invested in our platform propositions and sustained our multi-year marketing campaign to increase brand awareness. Together with our market-leading customer service levels, these factors have helped to drive our organic growth this year and will further strengthen our ability to capitalise on the significant long-term growth opportunity that exists in the platform market.

We have a track record of achieving consistently strong growth in our business whilst also increasing dividends to shareholders. Our growth this year has enabled us to deliver record financial results and further increase the level of surplus capital held. We are therefore pleased to recommend an increase in our ordinary dividend for the twentieth successive year, alongside the initiation of a share buyback programme to return up to £30 million of surplus capital to shareholders.

Another record performance

Platform customers increased by 14% to 542,000 (FY23: 476,000), whilst platform AUA increased by 22% to £86.5 billion (FY23: £70.9 billion), driven by strong net inflows of £6.1 billion, up 45% versus the prior year (FY23: £4.2 billion). This strong performance was supported by the continued investment in our platform propositions, pricing and brand, alongside improved retail investor confidence as markets rebounded and inflationary pressures eased. The increase in asset values across global equity markets led to favourable market movements of £9.5 billion.

AJ Bell Investments AUM increased by 45% to £6.8 billion (FY23: £4.7 billion). Our range of simple, low-cost investment solutions continues to perform exceptionally well, including our managed portfolios, which remain highly attractive to financial advisers via both AJ Bell Investcentre and third-party adviser platforms.

The growth in customers and AUA and the improving macroeconomic environment enabled us to deliver a record financial performance. Revenue increased by 23% to £269.4 million (FY23: £218.2 million), driven by higher revenue from interest income, custody fees and dealing fees. Profit before tax increased by 29% to £113.3 million (FY23: £87.7 million), driven by the increases in revenue and higher profit margin resulting from our focus on delivering operational gearing.

A highly engaged workforce

A strong, purpose-led culture and high levels of staff engagement are integral to our continued growth and success. This year we changed our employee engagement survey to Great Place to Work, a well-established employee engagement tool with accreditations recognised globally, as we wanted to continue to challenge ourselves and gain a different perspective on our workplace culture. We are therefore pleased to report strong results, being certified as a Great Place to Work with a total score of 83%, well in excess of the 65% accreditation threshold, placing us amongst the best large companies in the country.

We continue to invest in our pay and benefits package for employees. For FY24, we increased base pay by an average of 5% and introduced uplifts to employer pension contributions. Employee share ownership remains fundamental to our business and we continue to operate our annual free share scheme award, which has resulted in 79% of our workforce owning shares in the company.

We believe that having a diverse leadership team is important to ensure that we bring a wealth of perspectives to the table, and I am pleased with the strong levels of both demographic and cognitive diversity in our ExCo. In addition, we recognise the importance of having a robust and diverse talent pipeline, and our commitment to developing internal talent is demonstrated by over 200 internal promotions this year.

Our strategy to help people invest

We invest in our propositions with a focus on our three strategic drivers; ease of use, trust and low-cost.

- Ease of use
- Trust
- Low-cost

For progress against each strategic driver, see **pages 10 to 15**.

Leadership team changes

Roger Stott will be retiring and stepping down from his role as Chief Operating Officer (COO), as planned, on 31 December 2024. Throughout his 16-year tenure, Roger has served in several senior positions and has significantly contributed to our long-term success. Roger has been a pleasure to work with and I would like to thank him for his contribution to the business and wish him all the best in his retirement. His responsibilities will be assumed by our CFO, Peter Birch, and Chief Technology Officer (CTO), Mo Tagari. Peter and Mo are excellent leaders who have the skills and experience to ensure our focus on operational delivery remains as sharp as ever.

Following the year end, we announced the appointment of Ryan Hughes to our ExCo in the role of Managing Director of AJ Bell Investments, a role he had held on an interim basis since October 2023. Ryan excelled in his interim role and I look forward to continuing our work together as we build on the successes of our fast-growing AJ Bell Investments business.

Campaigning for retail investors

There are a number of ongoing legislative and regulatory developments that will impact customers in our market. We continue to engage with the Government and regulators on their behalf, campaigning for a range of measures which we believe will help to foster a supportive environment for long-term retail investors in the UK.

The new Labour Government's first Budget proposed subjecting unused pensions on death to inheritance tax (IHT) from April 2027. Bringing pensions into IHT in the way proposed is arguably the most complex and costly way of raising tax from pensions on death. As the proposals currently stand, they will create delays for beneficiaries, will be costly to administer and will prove unworkable in many situations. We have proposed alternative approaches directly to the Government that would address these issues and we will contribute to industry-wide efforts to agree a workable alternative.

The tax treatment of pension contributions and pension commencement lump sums are the cornerstone of the UK pension system. In the period leading up to the Budget, speculation around the amendment or withdrawal of these key incentives was covered extensively by national media outlets. This caused a meaningful change in customer behaviour, with contributions into pensions and withdrawals from them both increasing significantly. Whilst neither aspect of pension legislation was actually amended in the Budget, customers were clearly concerned.

Pension saving is a long-term financial decision and it requires a system in which people have a high degree of confidence. We will continue to make representations to the Treasury calling for a public commitment to stability in the pension tax system throughout this parliament. Our campaign for a 'Pensions Tax Lock' has been well received and we continue to call for Government to use this 'no-cost option' to ensure people saving for retirement can have confidence in pensions.

AJ Bell has campaigned over a number of years for simplification of the ISA system, making it easier for people to invest, reducing complexity in the savings and investment system and breaking down barriers between cash saving and investing. We are pleased proposals for a UK ISA will not be taken forward by this Government, with the introduction of another type of ISA risking undue product complexity with little benefit to customers. The Government has instead committed to simplifying the ISA system and making it easier for people to benefit from investing in ISAs and we look forward to working with policymakers and industry towards that objective.

The ongoing Advice Guidance Boundary Review represents an opportunity for us to provide greater support to our customers and we are in favour of proposals to permit more targeted support, as outlined by the FCA in late 2023. Feedback from the consultation on those proposals was published in November and we look forward to seeing them implemented in due course.

Outlook

The structural growth drivers of the platform market remain strong, as more individuals recognise the importance of taking control of their financial future.

We will continue to invest in our business with a focus on our technology and brand in order to capitalise on the significant growth opportunity the platform market presents.

The benefits of operating our dual-channel platform, underpinned by a single operating model, will continue to drive operational gearing. Alongside this, we are increasingly focused on creating efficiencies through a framework of strong cost control and the automation of processes.

Our diversified revenue model ensures we can deliver strong financial performance across a wide range of economic conditions. If the Bank of England's base rate reduces in line with current market expectations, this has the potential to gradually increase the attractiveness of investing, providing a potential tailwind for customer acquisition and inflows.

Pensions and ISAs are the core investment products in the UK and rely on continued belief from Government in the importance of long-term investing for individuals' financial futures. As with any new government, changes in legislation can be expected. There is a risk that some changes could reduce the attractiveness of long-term investing in these key products, or add complexity to the industry and increase costs. However, we remain confident that the new Government will continue to support the key, long-standing features of these products.

Finally, I would like to express my thanks to all members of the AJ Bell team. Their ongoing commitment and dedication continues to be at the heart of our success and it is a pleasure to work with them.

Michael Summersgill
Chief Executive Officer

4 December 2024

Making investing easy...

Ease of use

We make it easy for customers to invest...

We make it easy for customers to invest through our full-service and simplified propositions, supplemented by our in-house investment solutions. Our range of solutions provides our customers with a straightforward investment journey, supported by additional tools to make investing easier.

We are committed to continually investing in our propositions with a focus on ease of use to meet the evolving needs of customers and advisers.

Adviser efficiency

On our full-service advised proposition, AJ Bell Investcentre, we have improved efficiency and ease of use for advisers, helping them to remain focused on delivering excellent service to the customer.

We have developed a significantly improved interface, mapped to the advice process, to streamline the onboarding of new clients. Fund-specific illustrations and pre-sale costs & charges disclosures are produced instantly as part of the process, with all progress visible to the adviser on the onboarding dashboard.

We have also introduced a new feature which enables regular investments directly into model portfolios. This allows advisers to instruct the regular investments into a model portfolio rather than individual asset lines, again improving efficiency.

The development of AJ Bell Touch, our simplified advised proposition, is ongoing. We completed beta testing during the year, receiving some excellent feedback from advisers. The fully digital solution will expand our offering in the advised market. Through its streamlined, intuitive user interfaces, AJ Bell Touch is able to deliver greater efficiencies for advisers, enabling them to engage with a wider range of clients.

Improving and simplifying the D2C customer experience

A proportion of our addressable market sits in legacy pension products. The vast majority of people have multiple employers during their career, and subsequently accumulate several different pension pots which can result in higher charges, whilst also being more difficult to manage. Our customers have been consolidating such pensions with us for many years, but as part of our focus on ease of use we have launched our Ready-made pension service, helping customers to consolidate their existing pensions with minimal effort. The combination of a pension-finding service, a new pension product and a multi-asset investment solution with an all-in cost of just 0.45% represents excellent value for customers.

Customer experience is a key component of ease of use, and as such we are undertaking a project to roll out a new, fresh design for our D2C website in early 2025. This will be followed by the redesign of our mobile app. These developments will focus on improving navigation and enhancing content delivery for customers, all centred on ease of use.

Long-term cash savings represent a significant part of the addressable market for platforms. There are millions of people in the UK who hold high levels of cash savings for sustained periods of time, missing out on the superior returns that can be achieved through risk-based investing. Many of these consumers are deterred from investing due to its perceived complexity and their own lack of confidence. AJ Bell Dodl provides an ideal platform to address this market opportunity, and to increase its attractiveness to this cohort of customers, we introduced a highly-competitive interest rate for cash held in an ISA or Lifetime ISA, with the current rate of 4.84% being higher than the UK base rate of 4.75%. Customers are able to access educational content on the platform to help build their confidence to invest via AJ Bell Dodl's streamlined investment range.

...through our range of platform propositions

Our full-service and simplified platform propositions, operating in the advised and D2C market segments, ensure we are well placed to support a wide range of investors with different levels of investment experience and needs.

Our two established full-service products, AJ Bell Investcentre and AJ Bell, offer a wide investment range through our open-architecture platform.

AJ Bell Dodl, our simplified D2C proposition, broadens our reach to a new generation of investors. It is aimed at less-experienced investors, offering a simplified investment range and is one of the best-value platforms in the market. AJ Bell Touch, our simplified advised proposition, will enable advisers to connect with their clients at the touch of a button, catering for their needs through a fully digital service model.

What this means for our customers

On saving for her first house purchase, Becky said:

> "I chose AJ Bell in the first place because I researched the easiest to use in terms of first-time investors. I think it has met those expectations for me. I find the app really easy to use... it gives me all the tools to be able to make a decision on my funds. I like the fact I feel empowered with my money."

Becky
AJ Bell customer

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Making investing easy...

Trust

We earn the trust of our customers...

Our award-winning platform propositions and market-leading customer service levels have enabled us to build a platform which is highly trusted by both customers and financial advisers, evidenced by our 94.2% customer retention rate. This trusted relationship is key to retaining existing customers.

Trust and brand awareness are also key drivers of a new customer's decision when choosing an investment platform. Therefore, alongside our highly trusted platform, we are continuing to focus on enhancing our brand awareness.

A scalable platform with market-leading customer service

Our scalable platform offers a reliable digital solution. During the year we processed in excess of ten million trades and transactions, highlighting our capacity to manage growing demand and ensuring our customers can invest whenever they choose.

While our digital services are at the core of our offering, we recognise there are moments in the investment journey when customers and advisers want to speak to us directly. Our knowledgeable Customer Services Team provide help and reassurance by ensuring queries are resolved swiftly and effectively. During the year we handled over 450,000 calls, with 97% of calls answered within 20 seconds, highlighting our commitment to providing exceptional service. The strength of our service is further demonstrated by our market-leading Trustpilot rating of 4.8-stars and being the only platform to be recognised as a Which? Recommended investment platform provider for six years in a row.

We believe this is paramount to retaining the trust of our customers and their advisers, and to ensure we maintain our high customer retention and referral rates.

Increased brand awareness

We continued our multi-year strategy to enhance brand awareness through our TV advertising campaign and title partnership with the AJ Bell Great Run Series. Our efforts have yielded positive results, with prompted brand awareness reaching an all-time high, reinforcing our position as a trusted platform in the market. We remain committed to this strategy, and recently relaunched our TV and radio advertising campaigns with refined messaging to build on our improved brand awareness.

...through our secure and scalable platform propositions

We administer over £90 billion of our customers' investments. During the year, we settled millions of trades and hundreds of thousands of pension payments, demonstrating the robustness of our technology model and its ability to allow our customers to invest when they choose.

We continually invest in our platform to ensure a reliable service for our customers. We conducted extensive disaster recovery testing during the year, running the entire business for a sustained period on the cloud, and continued to invest in advanced cyber defence technologies to protect our customers and platform, evolving in response to the changing threat landscape. These investments ensure that our customers can interact with our platform confidently. Further details on how we ensure security across our platform can be found on page 33.

> "We operate a hybrid technology model, leveraging a blend of in-house developed user interfaces alongside hosting core back-office systems supplied by industry-leading software providers. This model enables us to provide a robust and stable platform with adaptable, user-friendly interfaces, which is critical to delivering positive consumer outcomes."

Mo Tagari
Chief Technology Officer

Making investing easy...

Low-cost

We offer great value to our customers...

Our scale, combined with an efficient dual-channel, single operating model, enables us to keep costs low for our customers. Our philosophy has always been to share the benefits of operating at scale with our customers so that we can provide one of the most competitively priced platforms in the market.

Reducing customer charges

During the year we have reduced charges on both our advised and D2C platform propositions.

For our advised customers, we reduced custody charges for assets held on the platform, as well as removing various transactional charges.

For our D2C customers, we halved our dealing charges on shares, ETFs, investment trusts and bonds to £5.00 per trade, while charges for frequent traders were reduced from £4.95 to £3.50.

Competitive interest rates

We pay competitive interest rates to customers on the instant access cash balances held on our platform. Customers often hold cash in their accounts temporarily while they wait for investment opportunities. This can differ for pensions, particularly where customers are approaching or are in retirement, as they will often hold larger cash balances to fund short-to-medium-term income withdrawals. We have therefore introduced new higher rates of interest on cash held in pensions in drawdown.

These price reductions and increased interest rates deliver annualised savings to our customers of over £20 million. We believe they will ensure that our pricing levels will remain highly competitive and sustainable over the medium term.

...through our in-house investment solutions

Our multi-award winning investments business is delivering on its commitment to offer a choice of simple, transparent investment solutions at a low cost. Our multi-asset funds offer a simplified pricing structure, with a single ongoing charges figure (OCF) for our six growth funds at 0.31% per annum, down by nearly half from 0.50% when they were first launched. Following the year end, we also reduced the OCF on our two income funds from 0.65% to 0.50%, further demonstrating our commitment to delivering excellent value. For our advised customers, we offer market-leading value on our managed portfolio service (MPS) with a charge of just 0.15%.

We continue to deliver strong investment performance, with all our multi-asset growth funds outperforming their Investment Association sector average over both a three- and five-year period.

"At AJ Bell Investments, our focus is on delivering strong investment performance via low-cost investment solutions. We are seeing particularly strong demand from financial adviser firms, driving our total assets under management to a record £6.8 billion. Our philosophy has always been to use our economies of scale to keep charges low, whilst ensuring we achieve competitive returns, providing excellent value for money for our customers."

Ryan Hughes
Managing Director,
AJ Bell Investments

A significant **growth opportunity**

The market opportunity

The UK investment platform market forms part of the broader UK savings and investment industry

Across the industry, trillions of pounds of assets are held by individuals in products such as pensions, ISAs, general investment accounts, bonds and cash savings with a significant proportion held off-platform in legacy products offered by banks, building societies, investment managers, pension schemes, stockbrokers and life insurance companies.

Investment platforms are increasingly attracting assets previously held in these legacy products, driven by the improved customer outcomes they can deliver such as the ability to manage investments easily in one place, increased flexibility and investment choice, and often lower charges. As a result, there is an established trend of non-platform assets gradually moving into the platform market. This trend is expected to continue.

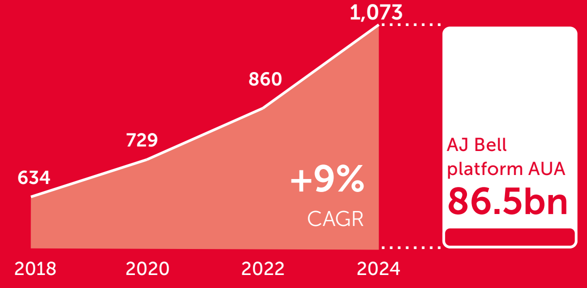
A fast-growing UK platform market

The total addressable market for platforms is currently estimated to be worth approximately £3 trillion. With just over one-third of this currently held on platforms, there remains a significant long-term growth opportunity for investment platforms.

The platform market has grown from £0.6 trillion in 2018 to close to £1.1 trillion, with around 60% held on adviser platforms and the remainder held on D2C platforms. The advised and D2C segments of the market have both grown at similar rates, driven by long-term structural growth drivers and individuals taking greater personal responsibility for their financial futures. AJ Bell is one of only a few platforms operating at scale in both the advised and D2C market segments.

Total addressable market

UK platform market
£bn



Our dual-channel business model ensures that we are positioned to capture assets from the whole addressable market, irrespective of whether they are self-managed or using the support of a financial adviser. This maximises our opportunity to capture an increasing share of the assets flowing into the platform market, driving further market share gains over the long term.

See our market overview for more information on **page 18**.

Long-term structural growth drivers

The long-term drivers that are shaping our industry and driving new growth opportunities.

Demographics

The UK state pension age will reach 67 by 2028

There are over 31 million members of private-sector DC pensions in the UK. The UK's ageing population and increased life expectancy have led to an increase in state retirement age, causing people wishing to retire earlier to be increasingly reliant on their private pensions and savings. This is driving people to be more actively engaged with their savings and investments from an earlier age.

Government policy

The workplace pension participation rate in the UK has increased from 47% to 80% since 2012

There is an increasing requirement for individuals to take greater personal responsibility for their retirement provision, evidenced by the UK Government's policies in relation to pension freedoms, auto-enrolment and tax-efficient savings and investments.

Technology

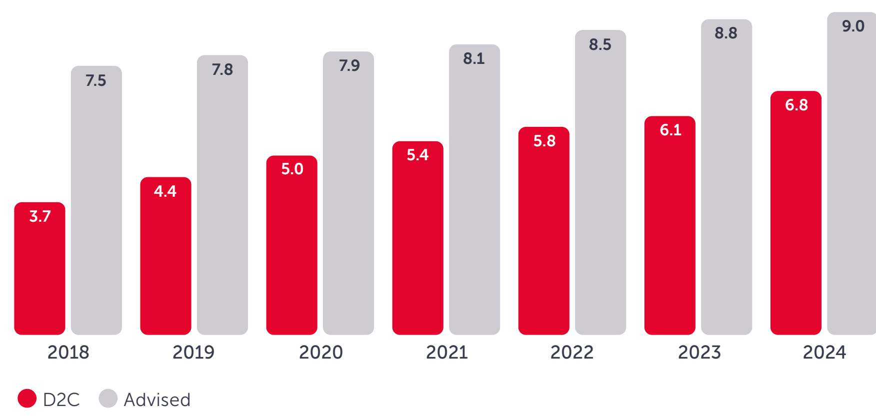
Structural shift from non-platform providers to platforms

Technological innovation has made the investment platform market more accessible to a broader range of retail investors who are increasingly looking for simple, intuitive products to help them achieve their long-term financial goals.

What this means for AJ Bell

Our dual-channel model maximises our growth opportunity

AJ Bell's market share
%



Source: D2C market – Boring Money data as at 30 September, Advised market – LangCat data as at 30 September.

Key trends in the investment platform market

We respond to market trends that have the potential to impact our business, ensuring we remain well-positioned to continue capturing growth opportunities.

Link to strategy

- Ease of use
- Trust
- Low-cost

Higher interest rate environment

In recent years elevated inflation has led to higher interest rates and rising costs for many households.

This has put pressure on individuals, presenting a headwind for inflows into the platform market as people prioritise day-to-day expenditure over their longer-term investments. Higher interest rates have also impacted the platform market in different ways:

- Higher mortgage re-fix rates have affected people's ability to make new contributions to their long-term investments.
- Higher returns on cash present a headwind for investment platforms.

How we are responding

Our low-cost, easy-to-use platform propositions serve the needs of both advised and D2C investors. This dual-channel approach, which offers excellent value to customers, positions us well to continue delivering net AUA inflows across the platform. This was demonstrated again in FY24 when we delivered over £6 billion of net inflows, with both channels making strong contributions, and we expect to see similar resilience in net flows in FY24 and beyond. Whilst there is some pressure on new contributions, consolidation of existing wealth continues to be a key driver of inflows to our platform. This has been a significant contributor to new business for many years as customers and advisers consolidate pensions and other investments held across multiple providers into one place. This activity is expected to continue driving strong inflows and is not dependent on new contributions, so is less impacted by the short-term market uncertainty.

Our open-architecture platform provides investment options across a wide range of instruments and asset classes, including fixed income instruments such as money market funds and gilts. Our Cash savings hub also provides another option for our D2C customers who want to earn highly-competitive interest rates on their cash from a range of partner banks. During the year we also launched a market-leading interest rate on AJ Bell Dodl investment ISAs and LISAs, as part of a new drive to help cash savers earn interest whilst learning about investing. The availability of these different options on our platform has enabled us to meet the changing investment needs of our customers, and helped to attract and retain assets that might otherwise have been saved or invested in cash products outside the platform market.

Our diversified revenue model has benefited from higher interest rates, driving improved revenue margins. We are committed to sharing efficiency gains with our customers, people and shareholders.

Link to strategy

Changing competitor landscape

The platform market is an attractive market supported by long-term structural growth drivers.

Leading platforms can attract and retain customers with high lifetime values, driving significant recurring revenues. Serving these customers via a scalable platform can deliver attractive profit margins, once sufficient scale is reached.

These characteristics have attracted significant capital into the market, driving a continual evolution in the competitive landscape. In recent years, several new competitors have emerged, particularly in the D2C market, all addressing the market differently with innovative new propositions. In the advised market we are seeing increased levels of adviser consolidation.

This has resulted in differentiated approaches across the market to pricing models, service offering, functionality, customer experience, and the level of brand and marketing activity.

How we are responding

We continually monitor the competitive landscape to ensure we keep up with the pace of change and that our propositions remain at the forefront of the market.

We are a trusted provider offering an easy-to-use platform, which offers broad functionality and award-winning service at a highly competitive price. This combination has driven strong growth in customers and AUA over many years, and our scale ensures we have a profitable and sustainable business model. The challenging market backdrop has made it more difficult for newer entrants to increase the scale necessary to achieve profitability, and business models are under increasing pressure, evidenced by reduced competitor recruitment and marketing activity.

By contrast, we have continued to perform strongly and increased our market share again in the year. From a position of financial strength, we are investing in our brand, our propositions and our people to support our long-term growth ambitions. Our combination of full-service and simplified propositions, operating in both the advised and D2C markets, gives us a strong competitive position relative to both incumbent platforms and new entrants. This will help us to deliver further growth in customers and AUA in FY25 and beyond.

Alongside the investment in our propositions, we have increased our brand investment to improve the overall awareness of the AJ Bell brand with potential customers. Our efforts have yielded positive results, with both brand familiarity and prompted brand awareness reaching an all-time high. We are committed to continuing our investment in brand in FY25. These ongoing investments strengthen our competitive position and support our ambition to continue capturing market share.

Link to strategy

Evolving legislative and regulatory landscape

There are a number of ongoing legislative and regulatory developments that will impact customers in our market.

The Labour Government's first Budget included proposals to introduce inheritance tax on unused pension assets and capital gains tax rates were increased.

The Government has also committed to simplifying the ISA system and making it easier for people to benefit from investing in ISAs.

There is an ongoing review into the Advice Guidance Boundary. This represents an opportunity for the D2C platform to provide more targeted support for retail investors.

How we are responding

We continue to engage proactively with the Government and regulators, campaigning on a range of measures which we believe will help promote a supportive environment for long-term retail investors.

Pensions are the primary retirement savings vehicle in the UK and customers are sensitive to changes in their tax treatment. We were pleased to see the most fundamental incentives behind the pension tax system – income tax relief on contributions and tax-free cash entitlements on withdrawal – remain unchanged. Speculation around the future of these incentives prompted an increase in both contributions and tax-free cash withdrawals in the months leading up to the Budget. We will continue to make representations to the Treasury calling for a public commitment to stability in the pension tax system throughout this parliament.

Changes to inheritance tax may influence the financial planning decisions of some wealthier customers, for whom pensions may no longer represent such an attractive estate planning vehicle. Financial advisers will play a crucial role in supporting those individuals to adapt their portfolios. Likewise, whilst the increases to capital gains tax will present a tax planning challenge for some customers, we are well placed to support them through tax-advantaged SIPPs and ISAs.

We continue to call for a simplification of the ISA system, making it easier for people to invest, reducing complexity in the savings and investment system and breaking down barriers between cash saving and investing. We look forward to working with policymakers towards this objective.

We are in favour of proposals to permit more targeted support to D2C customers, particularly those who are first-time or inexperienced investors. Our simplified proposition, AJ Bell Dodl, is well-placed to support these customers.

Link to strategy

Delivering sustainable **value creation**

Resources and inputs

Brand and reputation
With over 29 years of experience, we have built a trusted brand through our high-quality service and platform propositions. We raise brand awareness through a combination of sponsorship, PR, social media and referrals.

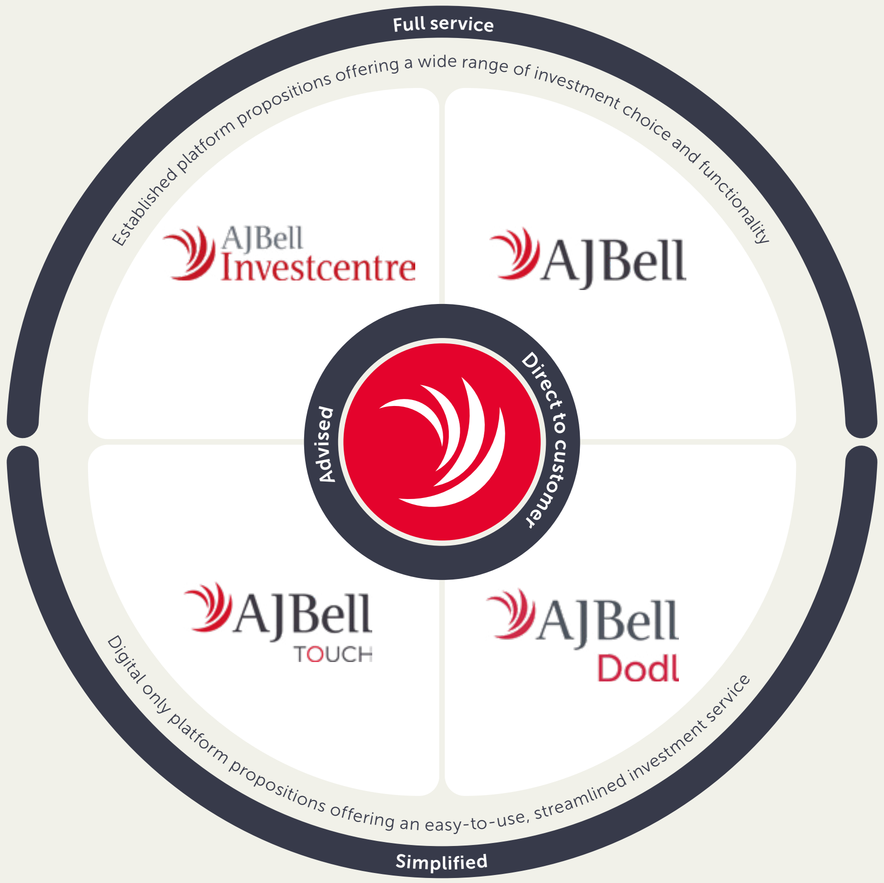
A well-invested technology infrastructure
We operate a hybrid technology model whereby our platform user interfaces are developed in-house, whilst our core back-office systems are outsourced to industry expert software providers. This model provides a number of benefits, including the ability to build adaptable, easy-to-use interfaces and reduces the cost of regulatory compliance.

People and culture
Our success is built on delivering a high-quality service through the skills and passion of our people.

Financial strength
We are a materially debt-free business which holds sufficient funds to more than meet our regulatory capital requirements and support ongoing investment in the business.

What we do

Our propositions
Our dual-channel model enables us to maximise the growth opportunity by increasing market share in both the advised and D2C platform markets. Whatever the condition of the day, people need to invest for the long term and that means our market is set to grow for many years to come.



Investment solutions

A range of in-house funds and MPS solutions which support our offerings in both the advised and D2C market segments

AJBell Investments

How we do it

Our strategy
There are three strategic drivers that harness what we deliver to customers and advisers and how we do it.

- Ease of use
- Trust
- Low-cost

Our capital allocation priorities
As we grow and scale effectively, we will continue to invest in strategic initiatives to deliver long-term growth.

We aim to pay shareholders a progressive ordinary dividend and will consider both the appropriateness of, and mechanism for, returning surplus capital to shareholders on an annual basis.

Further detail on our capital allocation framework is included on **page 57**.

Driven by our revenue model
Our revenue model includes a mix of fixed fees, ad valorem and transactional charges which provide a balance of inflation protection and resilience in the face of economic and capital market fluctuations. A significant portion of our revenues are recurring, in the form of charges levied on an annual or other recurring basis.

Delivering value for...

Our customers and their advisers
An easy-to-use investment platform that they can trust. It provides helpful content and knowledgeable customer support that enables them to manage their investments at a low cost, whether directly or with the help of a financial adviser.

Trustpilot score

Trustpilot Excellent 4.8/5

Customer retention rate

94.2%

Our people
A positive and inclusive workplace with a strong, purpose-led culture. A company that is committed to investing in the development of its staff to help them fulfil their potential. A competitive pay and benefits package that fairly rewards staff.

Staff engagement

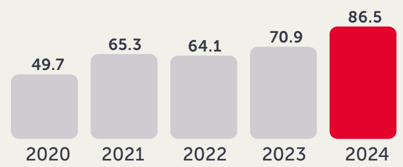
Great Place To Work. Certified

Staff promotions

203

Our shareholders
Sustained organic growth driven by our successful business model. Strong financial performance which funds further investment in the business, whilst growing shareholder returns.

Organic growth of our platform
AUA £bn



Total ordinary dividend per share

12.5p

Announced share buyback of up to

£30m

Underpinned by factors that determine our long-term growth:

Market trends and opportunities See **p16**

Stakeholders See **p24**

Responsible business See **p28**

Risk management See **p58**

Governance See **p70**

How we performed

We use selected key performance indicators (KPIs) to monitor progress against our strategy.

Link to strategy

We invest in our propositions with a focus on our three strategic drivers: ease of use, trust and low-cost. By focusing on continually providing an excellent standard of customer service, straightforward investment solutions, and competitively-priced platform propositions, our core drivers enable us to attract and retain customers, increase AUA, and enhance customer loyalty, all of which will drive strong long-term financial returns.

These are the primary KPIs which we use to measure strategic progress. Our KPIs are reviewed annually in relation to the strategic objectives of the Company through our business planning process.

- Ease of use
- Trust
- Low-cost

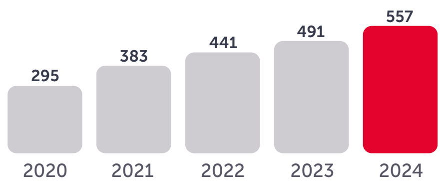
Key

- Included directly as Remuneration metric
- Included indirectly in Remuneration metrics
- Financial KPI
- Non-financial KPI

1. These KPIs are alternative performance measures (APMs). APMs are not defined by International Financial Reporting Standards (IFRS) and should be considered together with the Group's IFRS measurements of performance. We believe APMs assist in providing greater insight into the underlying performance of the Group and enhance comparability of information between reporting periods. For definitions, see page 174.

Number of retail customers

000's



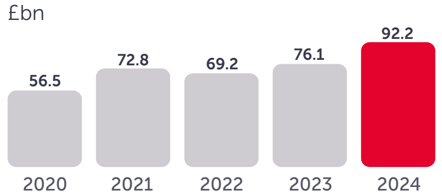
+13% Movement 2023 to 2024

Why it is important
The number of retail customers is the number that have at least one funded account with an AJ Bell product at 30 September 2024.

The number of retail customers can be used as a measurement of the success of our propositions, customer service and marketing.

AUA[1]

£bn



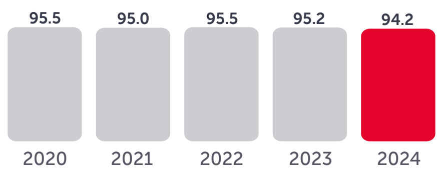
+21% Movement 2023 to 2024

Why it is important
AUA is the value of assets for which AJ Bell provides either an administrative, custodial or transactional service.

AUA is a measurement of the growth of the business and is the primary driver of ad valorem revenue, which is the largest component of Group revenue.

Customer retention rate

ppts



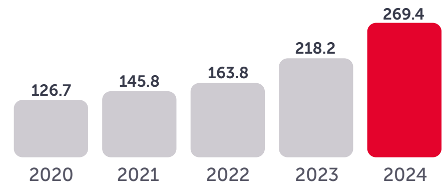
(1.0) ppts Movement 2023 to 2024

Why it is important
The customer retention rate is the average number of funded platform customers during the financial year that remain funded at 30 September 2024.

Customer retention is a measurement of customer satisfaction.

Revenue

£m



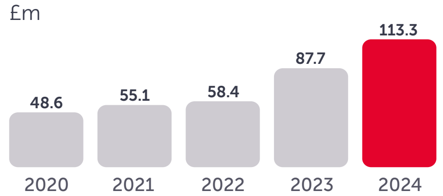
+23% Movement 2023 to 2024

Why it is important
Our revenue is the total income generated by the Group's activities, comprising recurring ad valorem, recurring fixed and transactional revenue.

Revenue provides a measurement of the financial growth of the Group.

PBT

£m



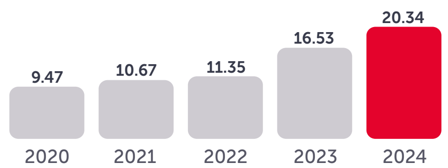
+29% Movement 2023 to 2024

Why it is important
PBT is the profit generated by the Group before corporation tax is paid.

PBT is a measurement of the financial performance of the Group. Profits can be used to strengthen the capital base, invest within the business or be returned to investors.

Diluted EPS

pence



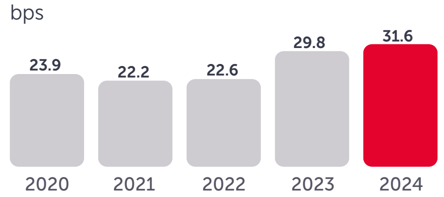
+23% Movement 2023 to 2024

Why this is important
Diluted EPS represents profit after tax divided by the weighted average number of shares and unexercised options in issue during the period.

EPS provides a measurement of profit per share to determine the value created for shareholders.

Revenue per £AUA[1]

bps



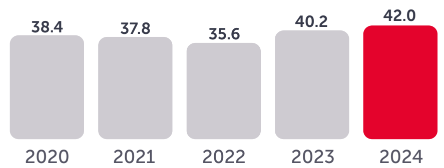
+1.8 bps Movement 2023 to 2024

Why it is important
Revenue per £AUA is the total revenue generated during the year expressed as a percentage of the average AUA in the year.

Revenue per £AUA provides a simple measurement to facilitate comparison of our charges with our competitors.

PBT margin

%



+1.8 ppts Movement 2023 to 2024

Why it is important
PBT margin is calculated as PBT divided by total revenue.

PBT margin is a measurement of the efficiency of the Group's business model in converting revenue into profits.

Great Place to Work survey score

%

Why it is important
The Great Place to Work survey provides employers with honest, in-depth feedback from employees covering a range of matters such as leadership, wellbeing, pay and more. The index survey score reflects an overall score across all focus areas, with an index score of over 65% required to receive certification.

This is our first year using the Great Place to Work Survey and as such no prior period comparators are available. Under the previous Best Companies survey, we achieved the maximum 3-star rating for six consecutive years.

Strategic report
Governance
Financial statements
Other information

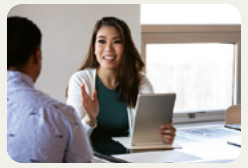
Building positive engagement with **our stakeholders**

We believe effective stakeholder engagement is a key element in driving a successful, sustainable business, built for the long term.

We proactively engage with and listen to our stakeholders to understand what is important to them. By understanding our stakeholders, we can factor into boardroom discussions the potential impact of our decisions on each stakeholder group and consider their needs and interests.

The information below sets out who our key stakeholders are, the key reasons we engage with them, the areas they have a material interest in and a summary of how we engaged in the year when considering what is most likely to promote the success of the Company.

Our customers and their advisers



Our customers include retail investors, financial advisers and wealth management companies. Our success is dependent on our ability to understand our customers' needs and develop appropriate products to meet those needs.

Material interests

An investment platform for our customers and advisers that:

- is secure, reliable, and easy-to-use;
- provides a high-quality customer service at low cost; and
- helps them meet their long-term financial objectives.

How we engaged

Customer services and websites
We have ongoing customer and adviser engagement through calls, meetings, organised events, newsletters, our website and other written communications.

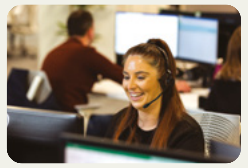
We continually invest in our propositions with a focus on ease of use, informed by customer and adviser feedback. Our proposition websites provide our customers and their advisers with a range of tools to assist them in managing their investments.

Surveys
Customer and adviser surveys are conducted on an annual basis with the results reviewed at Board level. Specific user groups perform beta-testing to provide further insight and feedback. This engagement and feedback informs the way in which we can best serve our customers and their advisers.

Outcomes

- Hosted a range of events for advisers including our flagship Investival conference and a wide range of seminars.
- Excellent customer retention rate of 94.2% and Trustpilot score of 4.8-stars.
- Completed beta testing for AJ Bell Touch, our simplified mobile-led proposition for advisers.
- Developed our Advised and D2C propositions with a focus on ease of use, including a new Investcentre client onboarding journey and our Ready-made pension for D2C customers.
- Reduced charges on both our advised and D2C platform propositions.

Our people



Our people are at the heart of our success. Our success is built on delivering a high-quality service through the skills and passion of our people who bring our values to life across the business.

Material interests

A working environment for our people that:

- facilitates their engagement at all levels;
- provides them with development opportunities;
- promotes their physical and mental wellbeing;
- promotes diversity and inclusion;
- rewards them appropriately; and
- encourages flexible working practices.

How we engaged

Surveys, staff communications and feedback
We engage regularly with our staff through the appraisal process, our intranet site, Company presentations, leadership lunches and our wellbeing programme. Our CEO hosted staff question and answer sessions in our offices and provides regular email updates on the business performance.

We changed our annual employee engagement survey to Great Places to Work this year, to challenge ourselves to gain a different perspective on our workplace culture.

Fiona Clutterbuck is our Non-Executive Director responsible for employee engagement. The Employee Voice Forum, which she chairs, meets to discuss a variety of themes raised by staff, with recent topics including staff retention and hybrid working.

Company share schemes
We continue to encourage employee share ownership through our BAYE scheme and free share scheme for all employees, to engage our workforce in the performance of the Company and to align employee and shareholder interests.

Outcomes

- Achieved accreditation as a 'Great Place to Work'.
- Improvements to our staff pay and benefits package.
- Continued to offer BAYE and free share scheme to all staff.
- An intake of 26 new apprentices into the AJ Bell Academy in the year.
- Our staff achieved over 200 internal promotions and completed over 100 courses and qualifications in the year.

Our shareholders

Our shareholders include both institutional and retail investors, including AJ Bell customers and employees.

Delivering on our long-term strategic objectives is dependent on our shareholders' support.

Material interests

Our shareholders want to invest in a business that:

- delivers on its investment case; and
- provides consistent profitability, growth, and long-term sustainable returns.

How we engaged

Ongoing investor relations programme
Through our investor relations programme, which includes regular trading updates, management roadshows, investor and analyst meetings, attendance at investor conferences, and our AGM which all members of the Board attend, we ensure that shareholder views are brought into the boardroom and considered in our decision making.

The CEO and CFO, supported by the Investor Relations Director, met with analysts and investors throughout the year.

Our Remuneration Committee Chair, Margaret Hassall, also consulted with shareholders on proposed changes to Directors' remuneration and Non-Executive Director fees.

Corporate broker updates
Our corporate brokers and sell-side analysts also provide us with valuable feedback and market insight. Our corporate brokers deliver updates on market dynamics and representatives are regularly invited to attend Board meetings.

Outcomes

- Regular financial reporting, with interim and full year results published, along with quarterly trading updates and market announcements.
- 16% increase in our total ordinary dividend.
- Approval of share buyback programme to return up to £30 million of surplus capital to shareholders.
- All resolutions passed at the AGM with a majority of more than 96%.

Other stakeholders

Other stakeholders represent the local communities in which we operate, as well as the wider environment, our suppliers and our regulators. As a socially responsible business, we believe we have a responsibility to our local communities, wider society and our suppliers. We operate in a highly-regulated environment and engage with our regulators constructively.

Material interests

Our other stakeholders want us to:

- act as a responsible corporate citizen in all respects; and
- conduct our business with integrity.

How we engaged

Engaging with our suppliers
We maintain and develop our business relationships. In addition to our due diligence processes, we ensure management has regular feedback sessions with representatives from key suppliers. We ensure our payment terms are fair and in compliance with payment practices.

Engaging with our regulators
Led by our Compliance Team, we regularly engage with the FCA and DWP on consultation papers and industry issues. We actively seek to lobby via public consultation and with policymakers where we perceive unfairness or unnecessary complexity.

Engaging with our communities and wider society
We continue to support the AJ Bell Futures Foundation, which develops long-term partnerships in our local communities. We have committed to donate 0.5% of our profits to the Foundation each year. Alongside our financial donations, we have also seen our staff participating in volunteering activities with our principal partner charities: Smart Works, IntoUniversity, Stop.Breathe.Think and the British Heart Foundation.

Outcomes

- 30-day payment terms.
- £438,500 of charitable donations.
- 328 hours of staff volunteering.
- Donation of 263 laptops and desktops to local primary schools and community organisations.
- Completed our first annual Consumer Duty assessment which confirmed our products provide fair value to customers.

For the benefit of our stakeholders

Section 172 of the Companies Act 2006 (s172) requires Directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so, have regard (amongst other matters) to:

a) the likely consequences of any decisions in the long term;
b) the interests of the Company's employees;
c) the need to foster the Company's business relationships with suppliers, customers and others;
d) the impact of the Company's operations on the community and environment;
e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly between shareholders and the Company.

We set out some examples of how the Board has had regard to the duties under s172 when considering specific matters, and how it has considered the interests of our key stakeholders in those decisions. Further detail on how the Board operates, including the matters it discussed and debated in the year, having regard to its s172 duties, are contained within the Corporate Governance report on pages 74 to 83.

The Board seeks to understand and carefully consider each of our key stakeholders' interests, priorities and views. The Board recognises that each decision will have a different impact and relevance to each key stakeholder, and so having a good understanding of their priorities is important. Where stakeholder priorities conflict, the members of the Board exercise independent judgement when balancing those competing interests in order to determine what it considers to be the most likely outcome to promote the long-term sustainable success of the Company.

Although the Board engages directly with some stakeholders, engagement also takes place at different levels within the business. The output from engagement below Board level is reported back to the Board and / or Board Committees and helps to inform both Board and other business-level decisions.

Further information about how we engage with our stakeholders and their needs can be found on **pages 24 and 25**.

Principal decisions:

1. Capital allocation framework

During the year, the Board approved a new capital allocation framework. In approving the framework, the Board considered the need to establish a more holistic approach to capital allocation than in our previously stated dividend policy and the benefits of greater flexibility to manage the Group's capital through investment in the business and the return of surplus capital to shareholders.

The framework strikes a balance between capital returns and sustainable long-term value creation, enabling targeted organic investment in the business to support our customers and drive long-term business growth, whilst reinforcing our commitment to a progressive annual ordinary dividend and increasing the flexibility in which surplus capital is returned to shareholders. The Board believes this balance will enable us to maximise value for shareholders and ensure that we remain attractive to both growth and income investors. This will also impact the majority of our employees with 79% of the workforce having share interests in the Group.

The framework also sets out the Board's commitment to continue to maintain a robust level of capital and liquidity, as required by our regulator, and retains our long-standing commitment to supporting our local communities with 0.5% of PBT to be donated annually to the AJ Bell Futures Foundation.

In accordance with the new framework, the Board is pleased to recommend a final ordinary dividend of 8.25 pence per share and the approval of up to £30 million of share buybacks to be completed during FY25.

Section 172 duties; a), b), c), d), e), f)

Further detail on our capital allocation framework is included on **page 57**.

2. Consumer Duty annual assessment

In July 2023, AJ Bell successfully implemented the FCA's Consumer Duty requirements and the Board considered this to be in alignment with the overall strategy and purpose of the business on the basis that the delivery of good customer outcomes is fundamental to the Company's purpose, business model, strategy and guiding principles.

Whilst the Board was confident when it approved the initial implementation in 2023 that the business was structured to deliver good customer outcomes, the Board was keen to review the FCA's feedback post-implementation to consider if further enhancements could be made.

In addition to considering post-implementation comments from the FCA, the Board is also responsible for approving an annual Customer Duty report, which is a confirmation of the Group's compliance with its Consumer Duty obligations and an assurance that its business strategy aligns with the Consumer Duty principles.

Since implementing the Consumer Duty programme in July 2023, the focus has been on moving the delivery of the Consumer Duty into business-as-usual ('BAU') processes. In order to facilitate the move to BAU processes, the Board agreed to refresh the Product Governance Framework, which applies to all stages of a product lifecycle and aims to provide a transparent, consistent and auditable framework that demonstrates how we ensure regulatory requirements are met and deliver good customer outcomes. In particular, the refresh involved revising when key documents prepared in accordance with the framework, such as the Fair Value Assessments and Product Proposition Documents, would be submitted to the Board for review and approval.

As a consequence of Simon Turner stepping down from the Board in March 2024, the Board needed to consider the reassignment of the role of Consumer Duty Board champion. Upon review and consideration, it was decided that this should be reassigned to Margaret Hassall. In the fulfilment of her role, Margaret was heavily involved in providing the initial review and challenge before papers were submitted to the Board for review.

In accordance with FCA guidance released in February 2024, the Board was keen to use data to identify, monitor and confirm its satisfaction with customers' outcomes and their alignment with the Consumer Duty. As a consequence, in approving the report, the Board took into account, amongst other things, the results of ongoing customer outcomes monitoring undertaken by Product teams to assess whether products and services are delivering expected outcomes in line with Consumer Duty, the results of product reviews, customer research, surveys and Fair Value Assessments. The reporting process also included reporting from the second- and third-line functions to support the activities carried out by the first-line teams.

This work culminated in the Board reviewing and approving the Group's first annual Consumer Duty Report which covered the period 1 August 2023 to 31 March 2024. In approving the report, the Board is satisfied that the Consumer Duty is being implemented and embedded across the organisation, and that the business was structured to deliver good customer outcomes. In addition, the Board is satisfied that the Group's future business strategy is consistent with the requirements of Consumer Duty.

Section 172 duties; a), c), e), f)

Key milestones in the Board's oversight of Consumer Duty post-implementation activity

January 2024
Review and approval of enhanced product governance framework

March 2024
Reassignment of the Consumer Duty Champion role to Margaret Hassall

April 2024
Review, challenge and approval of the template for the Consumer Duty report

May 2024
Review and challenge of the methodology for preparing the report and related second and third line assurance activities at R&CC

July 2024
Review and approval of Consumer Duty report covering the period 1 August 2023 to 31 March 2024

Growing our business **responsibly**

“ESG is embedded in our business strategy, ensuring that we continue to grow our business responsibly. Being principled and acting with integrity are at the heart of the AJ Bell Way, reinforcing a culture with responsible decision making at its core.”

Peter Birch
Chief Financial Officer

Making an impact

We are driven by our purpose – to help people invest – and our product propositions help to address the growing societal need for individuals to take personal responsibility for their financial futures by enabling people to take control of their own investments.

During the year we have continued to ensure that ESG is embedded in our business strategy with a focus on our four responsible business pillars.

We continue to make investing accessible for our customers and this year launched the Ready-made pension, a product which provides a solution to millions of people who have lost pensions, consolidating them through one of our low-cost investment solutions. You can read more about our responsible propositions on pages 31 to 33.

We have made considerable progress in improving diversity within the workforce. Our Board is now 50% women, and our latest Gender Pay report highlights continued improvement in our mean and median gender pay and bonus gaps, positioning us well amongst peers in the platform sector. We were also pleased to be certified as a Great Place to Work in our first year completing the employee engagement survey. You can read more about progress we are making as a responsible employer on pages 34 to 38.

We administer over £90 billion of assets for our customers’ financial futures.

In the year our customers withdrew over £1.5 billion of pension funds for their retirement and just under 2,000 customers used their Lifetime ISAs towards purchasing a first home.

The AJ Bell Futures Foundation launched last year and is having a great impact in our local communities. We donate 0.5% of PBT to the foundation annually, supporting initiatives that improve education, social mobility and overall wellbeing. More information is provided on pages 39 to 41.

We seek to minimise our impact on the environment and as such we have set near-term carbon reduction targets and further developed our operational net zero roadmap during the year. See pages 42 to 45 for more detail. We are pleased by the progress we continue to make in these areas whilst acknowledging the need for continuous development.

MSCI ESG RATINGS[1]

CCC	B	BB	BBB	A	AA	AAA

A

Our approach

We behave in a responsible manner with a focus on our propositions, our people, our communities and the environment. We believe this is important for the long-term sustainability of our business.

The Board is responsible for the conduct of AJ Bell’s business and the development of its strategy, as well as promoting the long-term sustainable success of the business. This includes both how we embed our approach to behaving responsibly across the business and promote a healthy corporate culture. The Board provides oversight and has elected Peter Birch, Chief Financial Officer, as the Executive Director responsible for our approach to responsible business.

Individual objectives have been assigned to Executive Committee members and a cross-functional ESG working group exists for the co-ordination of day-to-day activities. This structure allows us to fully embed ESG across our existing business strategy. Our Non-Executive Director (NED) ESG Forum enables the Board to provide more focused input into specific areas.

In 2024, the Board received an annual ESG update. Details of the oversight provided by the Board sub-committees are disclosed in the Governance section of this Annual Report.

1. The use by AJ Bell plc of any MSCI ESG Research LLC or its affiliates (‘MSCI’) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of AJ Bell plc by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

We are creating sustainable value

Responsible propositions
Offering products and services that are aligned with our purpose.

See p31

Responsible employer
Developing and supporting our people to help them achieve their potential.

See p34

Supporting our local communities
Playing a positive and supportive role in our local communities.

See p39

Environmental awareness
Minimising our impact on the environment.

See p42

Our contribution to the United Nations Sustainable Development Goals (UN SDGs)

We have identified five key targets which we have mapped to our responsible business strategy[1].

3 Good health and well-being	4 Quality education	5 Gender equality	10 Reduced inequalities	13 Climate action
3.8	4.4	5.5	10.2	13.2

How we govern our responsible business strategy

Board of AJ Bell plc
The Board is the decision-making body relating to ESG matters, taking ultimate responsibility and providing oversight of management actions. The Board receives an annual update on our responsible business strategy.

Audit Committee
The Committee is responsible for reviewing ESG-related financial information and disclosures.

Risk & Compliance Committee
The Committee is responsible for ensuring ESG-related risks are effectively embedded in risk management frameworks and risk reporting.

Remuneration Committee
The Committee oversees that remuneration policy and practices are designed to support our strategy and promote long-term sustainable success.

ESG Forum
The NED forum performs reviews and deep dives into specific ESG topics. The forum provides recommendations to the Board.

ESG working group
Our cross-functional ESG working group is responsible for the co-ordination of day-to-day activities, ensuring we deliver on our objectives, and for the consolidation of our responsible business approach. ESG-related information is reviewed by the working group before being presented to the Board, its sub-committees or the NED ESG Forum.

Executive responsibility
The CFO has the delegated authority from the Board to manage our responsible business strategy and is accountable for its delivery. Executive Committee members are allocated specific ESG-related objectives in their business areas, aligned to our strategy.

1. See page 174 for definitions of the UN SDG targets.

Materiality approach to ESG

In order to remain successful in the long term, an understanding of our most material ESG topics is essential to inform company strategy, targets and reporting.

We have taken a financial materiality approach to our assessment, considering the factors which may generate risks or opportunities that have a significant influence on future cash flows. In doing so we considered the International Sustainability Standards Board's (ISSB) IFRS Sustainability Disclosure Standards, which the UK Government has confirmed its intention to adopt as part of the UK Sustainability Reporting Standards.

We identified 13 ESG factors of material importance to our business, with reference to Sustainability Accounting Standards Board (SASB), our MSCI ESG rating factors and investor feedback. We then assessed each area by potential impact on the Group's cash flow before any mitigating actions. To help inform our assessment, we sought feedback from our investors on which ESG factors they consider most important.

To ensure we are regularly reporting on the most relevant ESG issues, we review our materiality assessment each year. After a review in the year, we have identified systemic risk management and corporate governance as two factors with a higher potential impact on the Group.

This assessment highlights that having responsible propositions, effective governance, and being a responsible employer are our most material areas of ESG. In relation to environmental factors, the nature of our business model means that our impact is relatively low, but it is important for us to ensure that customers have accurate and complete information to use in making investment decisions.

Material topics and potential impact on our business

The chart below outlines the inherent potential impact on the Group's cash flow before any mitigating actions.

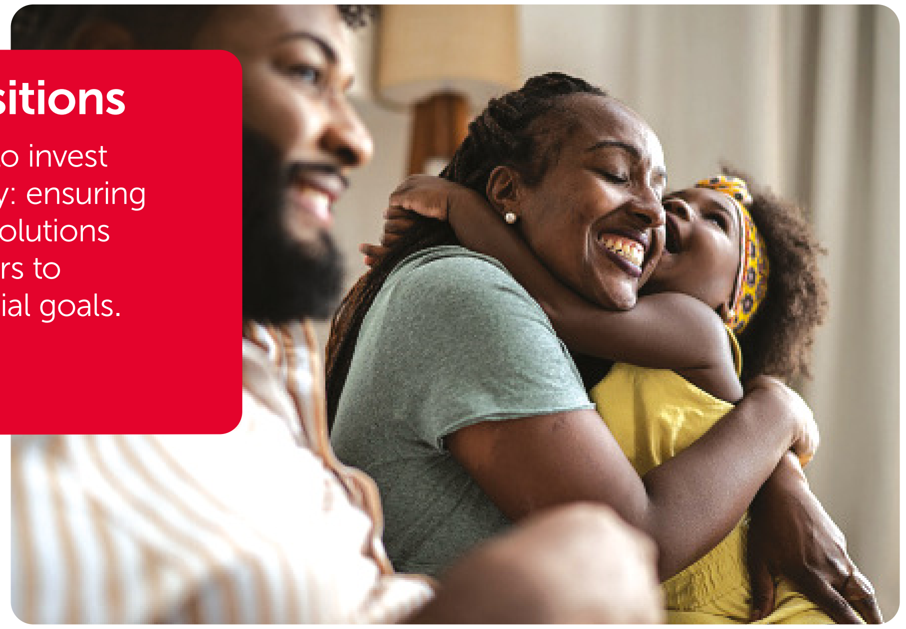
	Medium – High	Alignment to responsible business
Corporate governance Having an effective system of rules, practices and processes by which a company is directed and controlled.		
Systemic risk management Managing the risks arising from large-scale weakening or collapse of operational systems upon which the business depends.		RP
Data privacy and security Addressing the management of risks related to the collection, retention, and use of sensitive, confidential user data and the resilience of IT infrastructure to cyber-attacks.		RP
Employee engagement, health and wellbeing Ensuring our employees are paid fairly, engaged at all levels and the provision of a healthy and safe working environment including support of their physical and emotional wellbeing.		RE
Talent development Ensuring the Group has the ability to attract new people as well as retain and develop a highly-skilled workforce.		RE
Transparent customer information Providing adequate and clear information about our products and services to support our customers in navigating their investment decisions.		RP
Corporate behaviour Overseeing and managing business ethics issues such as fraud, corruption, executive misconduct and negligence.		
Diversity and inclusion Ensuring our culture, hiring and promotion practices embrace the building of a diverse and inclusive workforce throughout the organisation, that reflects both the local communities in which we operate and our customer base.		RE
Responsible investment Integrating environmental, social and governance considerations into the management of our investment products and the investments we offer on our platform, and the provision of data and content to support customers in making responsible investment decisions.		RP
Social advocacy Includes lobbying efforts with public policy makers and investment in initiatives to advance societal issues, such as reducing the gender investment gap.		RP SC
Operational emissions Minimising our operational carbon footprint. This includes both direct emissions and indirect emissions in our value chain.		EA
Local communities Supporting the economic development of our community and preserving the local environments in which we operate.		SC
Financed emissions Minimising the carbon footprint associated with our AJ Bell Investments' funds and Managed Portfolio Service.		EA

● Environment ● Social ● Governance

RP Responsible propositions RE Responsible employer SC Supporting our local communities EA Environmental awareness

Responsible propositions

Our focus on helping people to invest guides our product philosophy: ensuring we offer accessible investing solutions designed to help our customers to achieve their long-term financial goals.



Strategy

We offer products and services aligned to our core purpose – to help people invest. We do this in a way that helps our customers to achieve their financial goals, whether self-directed or with the support of an adviser. We also provide options for customers to invest responsibly on our platform and are responsible stewards of the investments we manage on our customers' behalf.

Why it is important

Our aim is to make investing easier and empower people to invest for their financial futures.

In fulfilling our role in society, it is pivotal that we offer propositions which enable more people to invest.

Who it impacts

Customers and their advisers, wider society, shareholders.

2024 highlights

- Launch of the Ready-made pension.
- Introduction of new pricing structure, with reduced charges and higher rates of interest paid to our customers.
- Retained our 4.8-star Trustpilot customer rating.

UN SDG targets

4.4 5.5 13.2

We report our approach to offering responsible propositions in three strands: accessibility, product offering, and customer security.

- **Accessible solutions**
  We believe in making investing accessible. Our low-cost, easy-to-use propositions cater for a broad range of investors. We produce content to educate more people about investing.
- **Product offering**
  Our high-quality propositions offer products with a long-term focus. We provide solutions to facilitate sustainable investing and are responsible stewards of the investments we manage on our customers' behalf.
- **Customer security**
  We protect our customers' data through robust information security control. We campaign on behalf of our customers where we see unfairness and over complex regulations.

Accessible solutions

Making investment easier

At AJ Bell, we believe in making investing accessible, whether investing directly or with the help of a financial adviser. Our aim is to help our customers to achieve their financial goals and promote a better understanding and awareness of investment choices that ultimately deliver good outcomes for our customers, aligned with the FCA's Consumer Duty. We recently launched the Ready-made pension, a product which offers a free pension finding service to track customers' lost pensions and consolidate them into one pot, which is then automatically invested into the customer's chosen fund from the range of our low-cost investment solutions.

We provide educational investment content to our customers and their advisers through our weekly Shares magazine, podcasts, online resources and adviser events, providing market information and expert analysis to support our customers in navigating their investment decisions. The 'learn to invest' section of our D2C site provides customers with a wide range of resources from investing essentials to in-depth guides. In July, we introduced a highly-competitive cash interest rate for AJ Bell Dodl ISAs and LISAs, giving customers the chance to earn interest whilst they build the confidence to begin investing in the product's streamlined offering of investment funds and shares.

AJ Bell Dodl broadens our reach to a new generation of investors across the D2C segment. It is a commission-free service, aimed at less-experienced investors and is amongst the best-value investment platforms on the market. AJ Bell Touch is a mobile-focused platform service that will broaden our offering to financial advisers and help them serve a wider base of clients through a digital service model.

As part of our purpose to make investing easier, we introduced a package of price reductions across our platform in April. On our advised platform, we removed both the SIPP in-specie transfer-in charge and the charge relating to conversion of a SIPP into a Retirement Investment Account. We also reduced annual custody fees for advisers investing via the Funds & Shares Service (F&SS). On the D2C platform, we reduced the costs of dealing charges on shares, ETFs, investment trusts and bonds from £9.95 to £5.00 per trade, while charges for frequent traders have been reduced from £4.95 to £3.50. Alongside this, we also increased the interest rates paid out to customers on their cash balances held on the platform, including higher rates of interest on cash held in pension drawdown.

Strategic report
Governance
Financial statements
Other information

AJ Bell Money Matters

Our research shows that, on average, women in the UK have less than half the level of savings and investments than men do, equating to an estimated £1.65 trillion gender investment gap.

We are seeking to help change this through AJ Bell Money Matters, which aims to empower women with the confidence and knowledge to start their investing journey.

The initiative continues to publish biweekly podcasts and articles, supported by dedicated social media channels, strategic partnerships and both internal and external events.

FY24 has seen a 240% increase in email subscribers, a 16% increase in podcast downloads and a 68% YOY uplift in website views.

Further information on all our articles, podcasts, reports and events can be found at **ajbellmoneymatters.co.uk**.

Product offering

Our platform product philosophy

We provide mainstream products that we believe will help our customers manage their investments for the long term.

Our core products are SIPPs, ISAs and Dealing / General Investment Accounts. SIPPs and ISAs enable customers to invest for the long term in a government-approved, tax-advantageous way and we also offer variations of these products, such as the Lifetime ISA and junior products, ensuring that we cater for a wide range of customer requirements.

We offer an open-architecture platform with investment solutions from market-leading providers and our own AJ Bell Funds and MPS, which cater for a wide range of risk appetites. Through our products, customers can buy, sell and hold a broad range of investments including shares, collective investments and other instruments traded on the major stock exchanges around the world.

Integration of ESG into our investment management

AJ Bell Investments works across multiple asset classes and implements its investment strategy predominately through a universe of mutual fund instruments that are either actively or passively managed.

The investment policy statements that govern all our discretionary mandates contain a dedicated section detailing how, and the extent to which, stewardship and ESG considerations should be factored into our investment management activities. This allows us to deliver for our customers by acting as responsible stewards of the investments that we manage on their behalf.

As outlined within our Voting & Stewardship Policy, we only select products from investment firms that are themselves signatories to the UK Stewardship Code or can provide a strong explanation as to why they do not comply. Fundamentally we are looking for alignment with the UK Stewardship Code's Principle 1: that the manager's "...purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society." Additionally, we monitor whether a manager is a signatory to the UN Principles of Responsible Investment (PRI), the principles of which incorporate the integration of ESG issues within the analysis and decision-making process in addition to the active engagement and voting.

For the AJ Bell Responsible Screened Growth Fund and AJ Bell Responsible MPS range, we operate within a consistent framework to ensure that ESG principles are being considered within the investment process. Where possible, we invest in ETFs that track an MSCI Socially Responsible Index (SRI), which include a wide range of values-based screens and exclusions. This ensures that we target our investment in companies with higher ESG rankings, whilst seeking to minimise ESG controversy.

Facilitating responsible investment

We help our customers undertake responsible investing through our investment options, data and content. As an execution-only investment platform, we provide customers with access to a diverse range of investment options that allows them to diversify and respond to ESG-related risks.

Responsible investing guide

Customers can access a free guide to responsible investing via the '**learn to invest**' section of our website, providing an overview of responsible investment strategies.

Favourite funds filter

Customers can filter our 'Favourite funds' list to view funds which have a focus on responsible investment or sustainability.

Sustainable fund labels

Customers can access UK Sustainability Disclosure Requirements (SDR) fund labels and disclosures, where produced by product providers.

Sustainability ratings

Customers can view and filter by Morningstar's Sustainability Rating when researching funds, ETFs and investment trusts on our platform. This rating enables investors to evaluate funds based on the sustainability profile of their underlying holdings.

AJ Bell Responsible Screened Growth Fund

We offer a well-diversified fund favouring companies with strong ESG credentials. The Fund provides a low-cost, easy-to-understand responsible investing option for both our advised and D2C customers.

Responsible Managed Portfolio Service

This provides financial advisers with a highly-competitive ESG solution for their clients. We offer six responsible portfolios, offering varying degrees of risk for customers who want to achieve long-term capital growth through ethical investing.

A series of exclusions removes companies from certain industries, such as tobacco, controversial weapons, and adult entertainment. Then, a 'best-in-class' ranking system means that, for the remaining companies, ESG credentials are factored into relative index weights, alongside market capitalisation.

Customer protection

Information security

We hold significant amounts of data relating to our customers, products, and business. We recognise that protecting this information is critical to the success of our business and the safeguarding of our customers. We adopt the principle of 'defence in depth' to provide multiple layers of protection for critical information and systems. This ensures that there are multiple controls and processes, ensuring protection is both robust and resilient. Our security processes are aligned with industry best practice including ISO 27001 and the US National Institute of Standards and Technology Cyber Security Framework.

Information and cyber security threats are continually evolving. To enable our security teams to stay up to date, we leverage external threat intelligence to understand who might be targeting the Company and our customers. This capability assesses the techniques and tactics used by attackers and helps ensure our controls are appropriate. We combine this capability with regular collaboration and sharing with industry groups and regulators to understand the threats across the sector. To ensure our security teams' skills remain current with attacker techniques, we invest in regular training and development for staff, working towards industry-recognised qualifications.

We recognise that technology-enabled crime can happen at any time of day and as such operate 24/7 monitoring, provided by a Security Operations Centre. This capability monitors our systems and controls for any anomalies or alerts and ensures they are immediately investigated by security experts. Our products and platforms have security 'baked in' by virtue of a Secure Software Development Lifecycle. This ensures that security is considered as part of every stage of technology deployment, from procurement and design through to implementation and maintenance. Our systems are regularly tested by accredited third-party ethical hackers who undertake penetration testing exercises to ensure our systems are resistant to attack. We have conducted disaster recovery exercises utilising cloud technology, enhancing our operational resiliency. This, combined with a process of continuous review and testing, ensures that our controls are always improving to enhance the security of our critical systems and data.

We recognise that our staff are our most valuable asset when it comes to protecting critical information and systems. All staff undergo security training, and we provide regular advice and guidance to staff via all staff updates and intranet blogs. Regular phishing testing is conducted to ensure our staff not only know how to identify an attack, but also respond in a timely and effective manner. A positive security culture is encouraged from the top of the organisation, starting with the Board, to every member of staff. We encourage open and active dialogue with security from all areas of the business to ensure our controls remain effective and enhance the safety of our customers and data.

Campaigning on behalf of retail investors

We actively seek to lobby the Government and regulators via public consultation and with policymakers where we see unfairness or unnecessary complexity. Our focus is always on campaigning for simplicity and good customer outcomes.

We have long campaigned for ISA simplification and during the year have been successful in our campaign against the introduction of the 'UK ISA' proposed in the March Budget statement, with plans for its introduction now scrapped under the new Government. We continue to campaign for further simplification of the ISA landscape, both with the Government and regulator, and believe that the focus should be on combining the best features of the current framework into a single 'One ISA' product. This would prevent customers becoming overwhelmed by choice and make investing easier.

We continue to work with the Treasury and FCA on their joint review of the boundary between advice and guidance. We feel there is a great opportunity for our platform to provide a far greater level of useful guidance to millions of people who are unlikely to ever accumulate sufficient wealth for an independent financial adviser.

More recently, ahead of the Autumn Budget, we called for a 'Pension Tax Lock' to prevent the kind of damaging uncertainty and speculation over pension contributions and withdrawals observed across the industry in recent months.

Although we were pleased core features of the pension tax system remained unchanged in the latest Budget, we will continue to make representations to the new Government calling for public commitment to stability in the pension tax system.

We also offer customers, and potential customers, valuable insights to relevant market information, showcasing our dedication to achieving positive customer outcomes and strengthening our reputation as a trusted brand. Our press coverage over the Budget was a huge success, beating all of our competitors on the number of articles we were featured in on Budget day when it came to national consumer press. We made nine press releases on the day of the Budget and had a number of our staff providing coverage across TV and radio outlets, providing analysis on the impact of the policy changes announced. To date, nearly 40,000 people have read our article on 'Everything you need to know about the Budget'. Alongside this, we had the biggest day for podcast downloads for our Budget special, which hit the top 10 in the Business charts on Apple after its release.

Tax strategy

We are committed to responsible tax management through a strong risk culture, robust governance, and clearly defined processes and controls.

Oversight of tax-related risks is embedded in the Group's governance framework, with the Audit Committee taking responsibility for the internal control systems that identify and monitor these risks. Our processes are designed to ensure the accuracy and integrity of the Group's tax filings, minimising the potential for errors. These controls are subject to regular review, monitoring, and testing to ensure ongoing compliance and effectiveness in managing our tax obligations.

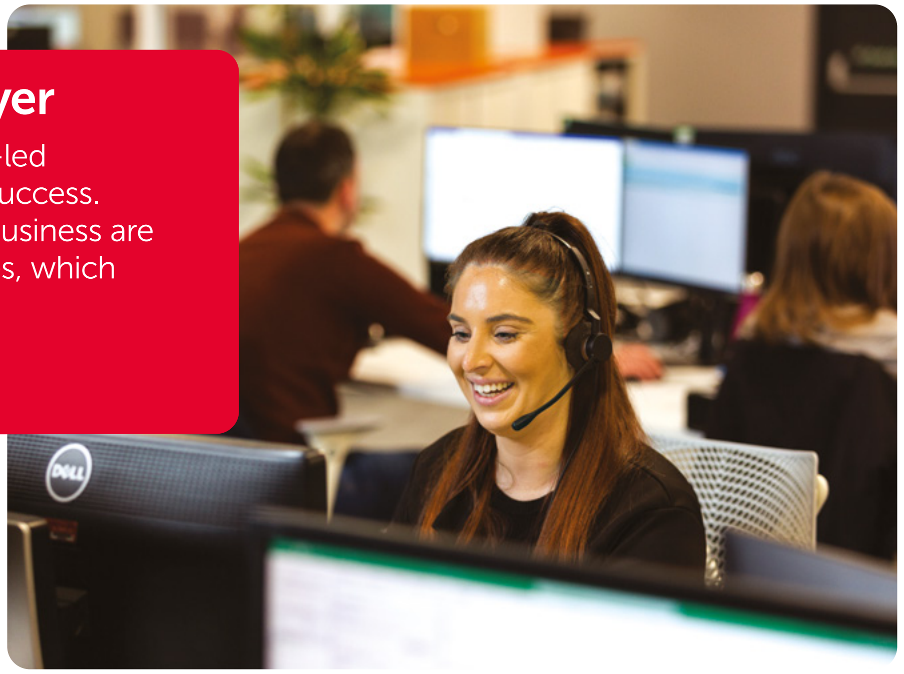
At AJ Bell, we recognise the role that tax plays in supporting wider society, contributing to the funding of public services and infrastructure that benefit communities and the economy. We are committed to fulfilling our tax obligations responsibly, ensuring that we pay the right amount of tax at the right time.

Our corporation tax and employer's National Insurance paid in respect of the year ended 30 September 2024 was £38.3 million (FY23: £24.9 million). Alongside this, we contribute to other taxes such as VAT and stamp duty.

Our full tax strategy is available at: **ajbell.co.uk/group/tax-strategy**

Responsible employer

Maintaining a strong, purpose-led culture is key to our ongoing success. The underlying values of our business are set out in our guiding principles, which inform everything we do.



Strategy

We will develop and support our people to help them achieve their potential. We will strive to ensure our staff are actively engaged. Our strong employer brand and culture will enable us to attract and retain a diverse and talented workforce.

Why it is important

Our success is built on delivering a high-quality service through the skills and passion of our people, who bring our values to life across the business.

Who it impacts

Customers and their advisers, employees, shareholders.

2024 highlights

- Certified as a Great Place to Work.
- Improved the diversity of our senior management.

UN SDG targets

3.8 4.4 5.5 10.2

Our guiding principles

Principled
We act with integrity

Knowledgeable
We know our stuff

Straightforward
We simplify the complex

Personal
We put people first

Ambitious
We set high standards

Our guiding principles are critical to all parts of the business, from how we recruit to the way we set our objectives. They help drive our behaviours and decisions and remind us that customers are at the heart of everything we do.

All staff are encouraged to use the principles to guide them on how to make decisions and how to conduct themselves. In this way, we will ensure a strong, cohesive, and inclusive company culture where everyone embraces the same core set of values.

Employee engagement

Having used the Best Companies annual engagement survey for over ten years we changed to Great Place to Work (GPTW) this year, a globally-recognised engagement survey which has provided us with valuable insights into how our employees feel about working at AJ Bell.

We are proud to report strong results, having been certified as a Great Place to Work with a total score of 83%, significantly exceeding the 65% accreditation threshold and positioning us among the top large companies in the country.

Our highest scoring focus area in the survey was 'Justice', which is the extent to which employees perceive that management promote inclusive behaviour, avoids discrimination and is committed to hearing fair appeals.

Employee wellbeing is measured using the GPTW Wellbeing Index, which assesses factors such as work-life balance, job fulfilment, and interpersonal relationships. We achieved an overall wellbeing score of 75%, with 90% of staff feeling that people care about each other, and 98% agreeing they can be themselves at work.

We are pleased with our strong results, which demonstrate that we continue to have a supportive workplace culture, which helps attract and retain talent, and enhances our reputation as a responsible employer. We recognise the importance of a highly-engaged workforce and look to continually evolve our approach.

Our pay and benefits package

We offer a comprehensive pay and benefits package and have made further enhancements to this at the start of FY24, including an average 5% pay increase and higher pension contributions. For FY25, we have provided a further uplift to pension contributions as well as enhancing our Family Way initiatives to offer paid time off for employees undergoing fertility treatment.

Share ownership is fundamental to who we are as a business and is a great way to reward our loyal staff for continuing to provide a high-quality service to our customers and their advisers, which is critical for the long-term sustainable success of the business. We are delighted that 79% of our people owned shares or share options in AJ Bell as at 30 September 2024 (75% as at 30 September 2023), with a third of our staff actively contributing to our BAYE scheme and the second award of our annual free share scheme for all staff made in January 2024.

We remain committed to our hybrid working model, offering staff a blend of office and home working. Central to this approach is the importance we place on staying connected with colleagues and building strong relationships. As such, we recognise our offices are the 'beating heart' of our business, where our culture lives and breathes.

Employee Voice Forum

Positive, meaningful staff engagement is key to realising our strategic objectives. One of the ways we do this is through the Employee Voice Forum (EVF) which is chaired by Fiona Clutterbuck, our nominated employee engagement Board director. Comprised of staff representatives from across the business, the EVF is responsible for collecting ideas and suggestions from employees on various topics to ensure their voices are heard and considered in the Board's decision-making process.

During FY24, Fiona and the EVF met to review feedback from staff on a variety of topics including our employee value proposition, pay and career progression, and the role of AI in the workplace.

Staff events

Social events form an important part of our culture. We offer our people a calendar of wide-ranging events across our three offices, delivered by our in-house events team, including our annual Christmas and summer parties. In December nearly 800 people gathered to enjoy our Christmas party, with other social events across the year including our monthly staff socials, our very first AJ Bell Dragon Boat event and exclusive cinema screenings.

Internal events

A key part of our approach to staff engagement is to ensure senior leaders are visible across the business and accessible to staff delivering our business objectives. We aim to ensure staff are aware of the key aspects of our business strategy and understand their role in delivering it, which is vital to maintain a strong purpose-led culture across the business.

As a result, we deliver a range of internal communication channels. This includes video interviews with senior leaders in the business and a programme of monthly leadership breakfast and lunch sessions, which provide the opportunity for members of the leadership team to engage informally with staff whilst providing insight into their focus areas.

Talent management

The quality of our people and building a robust and diverse talent pipeline for the future is essential to delivering our long-term growth strategy. Our aim, therefore, is to attract and retain talent across the business and provide them with opportunities for personal growth that will help us to deliver our goals and them to fulfil their potential.

Following our Ofsted 'outstanding' rating in 2023, our Talent Development Programme has continued to grow with 18 new learners enrolled this year. 100% of those who completed a course in 2024 achieved a distinction, with many going on to receive promotions to senior roles.

The Talent Development Programme helps individuals on their leadership and management journey, from 'Activate' for individuals at the start of their career journey and 'Accelerate' for individuals to take the next step into management. It enables those successfully completing the programme to obtain an industry-recognised qualification from the Chartered Management Institute (CMI).

We added a new 'Advance' programme to our Talent Development Programme this year, for those ready to take the next big step of their leadership career, including our next generation of Heads of Departments.

A big part of our culture at AJ Bell is the support and emphasis we place on personal growth and career progression. We love to see staff grow their careers with us, so we are proud that last year over 200 staff successfully secured an internal promotion.

Apprenticeships

In FY24 we welcomed 26 new apprentices to the AJ Bell Academy, selected from over 2,200 applicants, bringing the total number of apprentices being supported via the Academy to 88 during the last year.

Of the group, 19 joined us on the Investment Operations Specialist apprenticeship programme. These learners have the opportunity to work within our Customer Services, Operations and Business Development departments over their two-year programme. As well as gaining an understanding of the business and their roles they will be working towards their Level 4 Apprenticeship and a Chartered Institute of Securities and Investments qualification.

We continue to work with Manchester Metropolitan University with seven apprentices joining their Digital and Technology Solutions degree apprenticeship. All are studying for a BSc and undertaking specialisms in Software Engineering, IT Consultancy and Data Analysis.

Our apprentices enjoyed great success this year and we celebrated our 2020 cohort of digital apprentices as they graduated from Manchester Metropolitan University.

Diversity and inclusion

At AJ Bell, we value diversity and a culture that attracts, values and retains people from all backgrounds, regardless of age, caring responsibilities, disability, ethnicity, gender, religion or sexual orientation. We strive to promote an inclusive workforce where our people feel valued, respected as individuals, and empowered to succeed in their chosen career path.

Our commitment to diversity and inclusion is a continuous process and our framework aims to help us better understand diversity in the context of our business and the wider industry.

Our D&I Framework is aligned with the AJ Bell Way and supports the FCA's wider aim in ensuring UK financial services' firms meet the diverse needs of their customers. Research demonstrates a strong link between diversity and inclusion and positive outcomes in workplace culture, continuous innovation, effective risk management, and good conduct.

Demographic diversity

At AJ Bell, we are committed to fostering a diverse and inclusive workforce where every individual feels valued and empowered to thrive. Our focus in 2024 has been on enhancing the gender and ethnic diversity within our senior management team, building on the already diverse nature of our wider workforce, which closely mirrors the society we serve.

We have set a number of five-year desired outcomes and interim milestones to measure progress against this target.

This year, we made further strides in meeting the FCA's gender and ethnic diversity requirements, having welcomed Fiona Fry and Julie Chakraverty to the Board as Non-Executive Directors. With these appointments, we now have five women on our Board, and both our Chair and Senior Independent Director are women. Additionally, we are pleased that our Board now includes ethnically-diverse representation.

Our latest Gender Pay Report highlights our ongoing commitment to promoting gender balance. We are encouraged by the continued improvement in our mean and median gender pay and bonus gaps, positioning us well amongst peers in the platform sector. We remain confident that men and women at AJ Bell are paid equally for equivalent roles, and we are dedicated to maintaining this standard as we support the progression of women into senior positions.

Our framework

The framework centres around four key components, all of which contribute to achieving those expectations:

Demographic diversity

Recognising and acknowledging demographic diversity, to maximise the benefits of a demographically diverse workforce. Our objective is to ensure AJ Bell's workforce is diverse and represents the society it serves.

Cognitive diversity

Recognising and acknowledging diversity of thought, to maximise the benefits of a cognitively diverse leadership team. Our objective is to ensure AJ Bell recognises, encourages and acknowledges diverse views and perspectives.

Inclusive practices and policies

Inclusive leadership and behaviour

Ensuring we have fair policies and practices in place that value a diverse workforce, and demonstrating inclusive behaviours from the top down to strengthen our inclusive culture.

Our workforce as at 30 September 2024

Total number of employees 2024[1]

1,460

2023: 1,373

Gender

Men / Women

Board of Directors

(5) 50% | (5) 50%

2023: (6) 67% / (3) 33%

Other senior management[2]

(17) 71% | (7) 29%

2023: (18) 78% / (5) 22%

Total employees[3]

(881) 60% | (579) 40%

2023: (845) 62% / (528) 38%

UK benchmark[4]

49% | 51%

2023: 49% / 51%

Ethnicity

White / All other ethnic groups

Board of Directors

(9) 90% | (1) 10%

2023: (9) 100% / (0) 0%

Other senior management[2]

(18) 82% | (4) 18%

2023: (19) 83% / (4) 17%

Total employees[3]

(1,135) 81% | (258) 19%

2023: (1,036) 80% / (251) 20%

UK benchmark[4]

81% | 19%

2023: 81% / 19%

1. Additional employee data is provided within note 7 which shows the average position during the year.
2. Other senior management is defined as an employee who has responsibility for planning, direction or controlling the activities of the Group, or a strategically significant part of the Group, other than the Board of Directors.
3. Ethnicity data has not been disclosed by 7% of employees.
4. Gender and ethnicity benchmark data is as per the UK (2021) census.

Our approach to diversity and inclusion extends to gender-inclusive recruitment practices and talent development initiatives, through which we seek to actively address traditional gender imbalances in technical roles. From our digital and investment apprenticeship programmes to our succession planning for senior roles, we are continuously evolving our recruitment strategy to ensure a robust and diverse talent pipeline for the future.

At AJ Bell, we understand that diversity is not a one-time initiative but a continuous process. By aligning our efforts with our Guiding Principles, which shape our culture, we will continue to attract, develop, and retain talent from all backgrounds, ensuring an inclusive and equitable workplace for everyone.

Diversity initiatives

This year we were awards finalists in recognition of our approach to, and progress with, diversity within the business at the PIMFA 2024 D&I Awards. The AJ Bell Academy also won 'Financial Services Initiative of the Year' at the British Training Awards for contribution to diversity in financial services.

During Pride month, we encouraged staff to reflect on their own awareness of diversity and inclusion, and the power of their influence through allyship. To promote allyship across AJ Bell we offered staff the opportunity to take three online learning sessions on being an ally, reinforcing the importance of a sense of belonging.

As part of Learning at Work Week we celebrated Global Accessibility Awareness Day, helping our staff to better understand issues around digital access and inclusion. We always aim to remove barriers that might prevent people from accessing our e-learning.

As part of Neurodiversity Celebration Week, we shared a wealth of information to help colleagues understand and support neurodiversity at AJ Bell. We are proud to have neurodivergent employees across all departments of our business and we invited them to share their lived experiences with staff through a number of articles published to our staff intranet.

Cognitive diversity

Our D&I framework also focuses on cognitive diversity, the diversity of thought, with the aim to maximise the benefits that a cognitively-diverse leadership team brings. We believe that diversity of thought can increase team performance, bringing together different perspectives to improve the way that challenges and opportunities are addressed.

Our approach to cognitive diversity reflects external research which suggests two components that underpin the potential for and realisation of diversity of thought:

- Group composition: the inherent potential of individual group members to think differently from each other, which may be based on experiences, beliefs and the way they prefer to address problems.
- Group culture: the attitudes, practices and group dynamics that influence whether individual group members are open to unreservedly sharing their thoughts and whether they actively attend to the perspectives of others.

A cognitive diversity assessment for both the Board and ExCo, using the Diversity of Thought (DOT) Scorecard were updated during 2024 following changes in membership. The group score for both committees is considered to be in the upper 20% of all groups tested by the vendor, indicating we have strong cognitive diversity in our leadership team and on the Board.

Inclusive practices and leadership

At AJ Bell, we are dedicated to creating a fair and inclusive workplace that values diversity and empowers every employee to thrive. In FY24, we strengthened our focus on inclusive practices by enhancing our talent management, succession planning, and leadership development initiatives.

We aim to build a diverse pool of candidates for internal development programmes and enhanced succession planning by identifying diverse talent for senior roles, aligning with our commitment to equitable representation. AJ Bell's dedication to diversity, equity, and inclusion is embedded in our policies, ensuring a fair and inclusive workplace where discrimination and unequal treatment are not tolerated.

To support these efforts, all employees receive comprehensive training on equality and inclusion as part of their onboarding and ongoing regular communications via The Exchange, our internal communications platform.

DE&I Ambassadors

A diverse workforce is a key factor in AJ Bell's success and, as part of our People Strategy, we appointed designated Diversity, Equality and Inclusion (DE&I) Ambassadors to actively promote, support and develop our inclusive workplace culture.

All staff were eligible to register their interest and following a selection process, five staff were recruited to serve as DE&I Ambassadors.

All the ambassadors are enthusiastic about diversity, equality and inclusion and play an important role in supporting and building the conversation about DE&I at AJ Bell. Since being appointed, they have been working with the HR Team to develop a plan for FY25. Their main objectives are establishing allyship in our workplace, raising awareness of DE&I thorough employee engagement, and enhancing our inclusive culture.

Inclusive leadership and behaviours

We recognise the importance of demonstrating inclusive behaviours from the top down to strengthen our inclusive culture, ensuring that senior management are strong advocates of the framework. We delivered in-house inclusive leadership training to all managers and team leaders, equipping them to lead by example in promoting inclusivity and fairness. Through various staff events and communications, we raised awareness and understanding of diversity and inclusion, embedding these values into our daily operations.

Furthermore, we updated our core competencies and behaviours framework to reflect inclusive practices, ensuring that performance reviews and development plans at all levels are aligned with our DE&I objectives.

At AJ Bell, we believe that inclusive leadership and behaviours are essential in building a culture where everyone feels valued and supported. Managers across the business are responsible for ensuring that all employees understand our commitment to diversity and inclusion and are empowered to contribute to an environment free from discrimination, harassment, or inequality.

Whistleblowing

In maintaining a strong workplace culture, we recognise the importance of encouraging staff to disclose their concerns about wrongdoing, or the covering up of wrongdoing. Our whistleblowing framework ensures that our people can confidentially or anonymously raise concerns, and provides access to an external whistleblowing service.

Any whistleblowing investigation is handled independently and follows a strict process to prevent victimisation and allow safeguards to protect whistleblowers from retaliation or being otherwise disadvantaged.

We also have a nominated Whistleblowing Champion, a role currently occupied by Eamonn Flanagan, our Non-Executive Director and Chair of the Audit Committee. More information on the governance procedures in place around our whistleblowing arrangements can be found on pages 75 and 96.

Promoting health and wellbeing

We place a great deal of importance on the health and wellbeing of our staff, investing in a wide range of support that we continually review. Our onsite gym at EQ4, equipped with fantastic facilities, has dedicated in-house personal trainers who share workouts, health programmes and nutritional advice.

We appreciate that physical health is an important part of our overall wellbeing. Each quarter we offer staff 'advanced health MOTs' and massage therapy.

As title partner of the Great Run Series, we were delighted to offer our staff free entry to one of our AJ Bell Great Runs in 2024. It was pleasing to see over 237 of our staff take part in the Great Run events, which bring both physical and mental wellbeing benefits.

We have a number of Wellbeing Ambassadors across Manchester and London who are trained in mental health first aid, to support colleagues that are experiencing mental health issues. This is further complemented by our Employee Assistance Programme, which gives our people access to independent confidential advice and support should they need it.

We know that feeling good and staying healthy in our daily lives make a big difference to how likely we are to fall ill and how fast we recover afterwards, so we offer all staff a health cash plan, providing a range of positive healthcare benefits such as cash back to cover day-to-day costs such as dental and optical bills, physiotherapy, virtual GP consultations and consultancy charges.

Anti-bribery and corruption statement

AJ Bell Group's policy is to conduct all our business in an honest and ethical manner with zero tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly and with integrity in all business dealings and relationships.

We aim to comply with all laws relating to anti-bribery and corruption and are bound by the laws of the UK, including the Bribery Act 2010.

We provide training on this policy as part of the induction process for all new employees.

Our zero-tolerance attitude will be clearly communicated to all suppliers, contractors, business partners and external parties at the outset of our business relationship with them and as appropriate thereafter.

Human rights and modern slavery statement

We have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships.

This approach applies to our own business, all persons working for us or on our behalf in any capacity, and all of our supply chains.

We implement and enforce effective systems and controls to ensure modern slavery is not taking place.

We provide mandatory training for employees with procurement responsibilities, as well as those in our HR and Risk departments, to ensure they understand and can spot the signs of modern slavery and human trafficking. All other employees have the opportunity to enrol on the training voluntarily.

Our recruitment policy includes conducting eligibility to work checks for all employees as a control against human trafficking. The AJ Bell Group Anti-Slavery Policy is referenced in our employee handbook, which forms part of our contract with staff, so the policy is prominent and visible to all staff.

Supporting our local communities

We strive to make a long-lasting and positive impact by sharing our business success with our local communities.

Strategy

We are active members of our local communities. We are committed to having a positive impact through engagement and participation whilst ensuring we operate in a fair and transparent manner.

Why it is important

We have a strong social conscience and are committed to making a positive contribution to the communities in which we operate.

Who it impacts

Local communities, shareholders.

2024 highlights

- Partnered with four principal charity partners through the AJ Bell Futures Foundation.
- Raised £860k for our Great Run Series title partner, British Heart Foundation.

UN SDG targets

3.8 4.4 5.5 10.2

At AJ Bell, we take pride in fostering strong community ties and supporting initiatives that make a meaningful impact to the lives of those around us. We achieve this through the work of the AJ Bell Futures Foundation, for which we are the sole funder, and by offering staff the opportunity for paid leave to volunteer their time, skills and experience towards local causes.

AJ Bell Futures Foundation

The AJ Bell Futures Foundation was established to create lasting, positive change in communities by supporting initiatives that improve education, social mobility, and overall well-being.

The Foundation focuses on empowering individuals, particularly young people, with the skills and knowledge needed to build brighter futures. Through partnerships with charities, educational programmes, and community projects, the AJ Bell Futures Foundation seeks to address inequalities and provide opportunities for people facing disadvantage to find a path to financial security and invest in their futures.

We have committed to provide 0.5% of PBT to the Foundation annually, to be distributed to selected charitable organisations that empower people to take control of their future, through initiatives focused on self-advancement.

The trustees of the Charity include members of the Executive Committee, as well as employees who have been elected following an application process.

Principal charity partners

In 2024, the Futures Foundation has partnered with four Principal Charity Partners: Smart Works, IntoUniversity, Stop.Breathe.Think and British Heart Foundation. Each of the partner charities received donations ranging from £100,000 to £190,000 in the year.

Smart Works

Smart Works aims to empower women with the confidence they need to reach their full potential and secure employment, by providing interview coaching and offering a personal styling session from donated professional attire. As a result of our donations, around 10,000 women were supported nationwide during the year across 11 Smart Works centres, an uplift on the number of women supported in the prior year by 40%. We are thrilled with the involvement of our staff supporting this charity as over 50 AJ Bell staff have volunteered at 6 co-run events in Manchester and London, in addition to supporting fundraising events such as the 'Cycle for Smart Works'. We are delighted that we have won the Spirit of Manchester awards for the Partnership and Collaboration category alongside Smart Works Greater Manchester.

SMART WORKS

IntoUniversity

IntoUniversity (IU) helps young people facing disadvantages achieve their academic potential and pursue higher education, thus breaking cycles of poverty. IU opened a Salford-based learning facility centre within three miles of our Manchester office and delivered the programmes supported by our Future Pathways partnership to over 26,000 young people nationwide – 900 of which were fully funded directly by our donation. It has been great to see 60 AJ Bell staff supporting the delivery of 14 educational, career-focused workshops with IU, delivered to over 300 students across Manchester, Bristol and London. Furthermore, AJ Bell's Learning and Development Team has facilitated the mentoring of four IU managers, providing an opportunity for reflection through a mentoring relationship with an experienced manager outside of the charity.

Stop.Breathe.Think

Stop.Breathe.Think (SBT) is a virtual mental health service, providing access to free and confidential one-to-one counselling sessions for children and young people aged 8 to 21. Since January 2024, SBT have partnered with 41 youth organisations to spread awareness of their services, which includes local schools and youth projects. Donations from the Foundation have directly funded 6 or more 50-minute counselling sessions for 325 children and young people, free of charge. SBT also delivered an informative mental health workshop to our staff team of mental health first aiders, focusing on the topic of improving resilience.

British Heart Foundation

In addition to working alongside British Heart Foundation as the official charity partner of the AJ Bell Great Run Series, we felt BHF aligned perfectly with the charitable objectives of the AJ Bell Futures Foundation: to champion the vital work they do to keep hearts beating in communities across the UK. In February, we supported BHF's Heart Month, with a pledge to donate £5 for every person trained in potentially lifesaving CPR, capped at £50,000. The goal to train 10,000 people in CPR through their digital app, RevivR, was exceeded by more than double – with over 20,000 trained during the month.

The AJ Bell Futures Foundation has also pledged to fund the provision of 210 community defibrillators during the two-year partnership, equipping communities across the UK with lifesaving equipment and skills.

Staff-nominated causes

Alongside these donations, the Foundation awards approximately 10% of its annual donations to discretionary causes and charitable organisations nominated directly by our employees. These can be wide ranging in activity, from supporting local sports clubs in disadvantaged areas to charities increasing technological accessibility, all aligning with the Foundation's objective in helping people build better futures. It has been pleasing to see staff taking up this unique opportunity and as a result over £31,000 has been donated to staff-nominated causes.

Staff volunteering

We promote a culture that encourages our staff to create lasting value in our communities. Our employees have consistently demonstrated their dedication to giving back through volunteering and charitable activities.

This year, we have continued our Christmas toy appeal in partnership with Cash for Kids, with staff donating toys and apprentices helping to prepare donations for distribution to local families in need. We also hosted a careers workshop with The Talent Tap, offering mock interviews and industry insights to help young professionals, while our Digital Apprentices provided insights into technical careers to local primary school students.

We are also dedicated to bridging the digital divide in our community and this year we donated 263 repurposed laptops to local schools, groups, and organisations, enhancing access to technology for those who need it most.

University of Salford

Our collaboration with the University of Salford continues to grow, particularly through two key initiatives. The Journalism Award, funded by the AJ Bell Futures Foundation, was established in memory of Mark Gardner, a valued colleague who played an important role as part of our Shares Magazine in educating our customers. This award supports undergraduate journalism students by offering a cash prize and the opportunity to have their work published in Shares Magazine, providing aspiring writers with a strong foundation as they embark on their careers.

As part of our sponsorship of the 'AJ Bell Technology Awards', which recognises outstanding Computer Science students at the University of Salford, winners receive a cash prize to support their academic pursuits, while reinforcing the importance of data analytics and technological innovation in today's world. We are proud of our role in nurturing talent and rewarding excellence in our community.

Through these partnerships and initiatives, AJ Bell remains committed to creating opportunities, fostering talent, and giving back to the communities we serve.

AJ Bell Great Run Series

In 2024, we embarked on our second year as title sponsor of the AJ Bell Great Run Series. The Great Runs are a renowned series of running events across the UK that have been instrumental in encouraging people of all ages and abilities to embrace an active lifestyle.

Through our partnership, AJ Bell has supported a wide range of participants, from experienced athletes to first-time runners, fostering a sense of achievement and personal growth while raising awareness for important charitable causes. In 2024, over 197,000 people took part in the runs across the country, from Birmingham, Bristol and Portsmouth, to Glasgow, Newcastle and Manchester, raising an estimated total of £25 million for a wide range of charities.

Official charity partner

As title partner, we nominated British Heart Foundation (BHF) to serve as the official charity partner for the Great Run Series. The BHF's mission is to fund groundbreaking research into heart and circulatory diseases, aiming to save lives and improve heart health across the nation. The BHF's purpose aligns with the series' focus on physical fitness and cardiovascular health. This partnership enables the charity to raise vital funds while promoting heart-healthy habits.

Through this partnership with BHF, nearly £860,000 was raised by participants across the run series in 2024, all of which will help to fund their lifesaving research.

Together, AJ Bell, the Great Run Series, and British Heart Foundation are committed in creating a positive social impact by working towards healthier communities.

Total people taking part in the runs across the country

197,000

Money raised for good causes (Estimated)

£25,000,000

Environmental awareness

At AJ Bell, we recognise the importance of societal action to reduce global emissions and are committed to playing our part.

Strategy

We seek to minimise waste and our impact on the environment. We assess the impact that climate change could have on our business and respond to those risks and opportunities.

Why it is important

We understand the importance of collective action in achieving global net zero and are dedicated to doing our part.

Who it impacts

Customers and their advisers, wider society, shareholders.

2024 highlights

- Implemented 100% renewable electricity tariffs across all our offices.
- Committed to near-term net zero-aligned operational carbon reduction targets.

UN SDG targets

13.2

Taking action

In our commitment to sustainability, this year we have focused on developing a detailed net zero transition plan over our operational emissions and are pleased to have established near-term operational carbon reduction targets, aligned to the principles of the Science-Based Targets initiative (SBTi), demonstrating our dedication to meaningful climate action. Alongside this, we continue to neutralise our Scope 1 and 2 emissions, achieving carbon neutral status for the fifth consecutive year.

We continue to operate sustainable travel initiatives for all employees, including a public transport season ticket loan scheme up to £6,000 and a bike loan scheme up to £2,000. We also use 100% renewable electricity across all our offices and implement a responsible waste strategy, which includes refurbishment and donation of old laptops to local community organisations and ensuring none of the waste from our Manchester head office goes to landfill. These efforts reflect our ongoing pledge to minimise our environmental footprint while promoting responsible, sustainable practices throughout our operations.

In relation to our execution-only platform, our role is restricted to making different investment options and information available to customers, with the ultimate decision on responsible investing being in the hands of the customer. For our AJ Bell Funds and MPS portfolios, our role is similarly to respond to customer appetite, whilst providing the option for them to prioritise responsible investing.

Operational net zero

We are committed to playing our part in the UK Government's commitment to be net zero by 2050. During the year, we have undertaken several projects aimed at developing a detailed operational net zero transition plan and assessing feasibility of our proposed carbon reduction targets. We have highlighted those significant projects in the following sections.

Net zero definition

In developing our transition plan to net zero, we have interpreted the meaning of net zero to be aligned with that of the definition provided by the SBTi's Net Zero Standard: "Reducing emissions by at least 90% and neutralising any residual GHG emissions on an ongoing basis."

Increasing our office energy efficiency

Our Manchester head office is the primary contributor to our total Scope 1 and 2 emissions and therefore has been a key focus area in our transition planning. During the year we have undertaken an energy efficiency assessment at our head office to understand existing performance and identify a baseline for modelling future improvements. We then developed a five-year strategy for the building, which included a programme of technically and commercially considered energy conservation measures that would enable us to achieve our carbon reduction targets.

As well as this, the asset improvement plan ensures we maintain compliance with the proposed changes to the Minimum Energy Efficiency Standard (MEES), which will require commercial properties to achieve an EPC rating of at least 'C' by 2028, increasing to a 'B' in 2030.

We agreed a new lease for our London base during the year, moving into the recently refurbished Blue Fin building. There is a landlord-led decarbonisation project in progress for the building, with an action plan in place to achieve an EPC 'A' rating by 2027. Blue Fin already operates a number of environmental initiatives aligned with our carbon reduction plans, such as LED lighting installation in all common areas, a recycling strategy which diverts 100% of waste from landfill and a sustainable travel plan which facilitates the use of public transport.

We are pleased to announce that all our offices now use traceable electricity that is 100% generated from renewable sources, backed by the Renewable Energy Guarantees of Origin (REGO) certification. This has been the driving factor behind our 32% reduction in Scope 1 and 2 emissions since the baseline year.

By making this investment in our offices AJ Bell is well-positioned to contribute to a sustainable future and support global net zero aspirations.

Reducing our supply chain emissions

With the majority of our total greenhouse gas emissions attributed to spend within our supply chain in our baseline year, engagement with our value chain is crucial to achieving our carbon reduction goals.

During the year, a cross-functional initiative was established to implement our first principles-based sustainable procurement policy. The policy has been distributed to buyers within the business to help guide them in making more sustainable purchasing decisions.

In assessing the feasibility of our proposed Scope 3 carbon reduction targets, we contacted our top suppliers by spend with sustainability questionnaires. We received over 50 responses, a response rate of 83%, with information received on current supplier emissions data and insights into our suppliers' carbon reduction plans. Among the suppliers from whom we collected data, 65% had already established their own carbon reduction targets, with additional suppliers expressing intentions to do so.

Going forwards, as part of a benchmarking exercise stipulated within the sustainable procurement policy, sustainability questions will form part of our due diligence process, with questionnaires sent to our key suppliers annually.

Our targets

Our operational net zero feasibility assessment concluded that we have more control over our office emissions and that a number of our key suppliers surveyed have already established carbon reduction targets over the near term, however there remains more uncertainty over the long term with a number of key dependencies identified (see page 45). As such, until we have increased confidence over these key dependencies, we have not committed to a long-term net zero target at this stage.

As a result of the feasibility assessments undertaken during the year, we have established the following near-term carbon reduction targets:

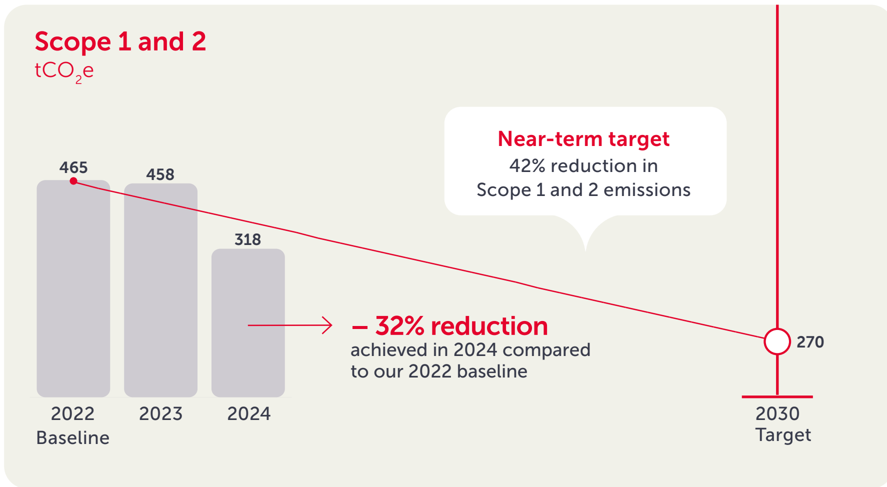
- Reduce our Scope 1 and 2 (market-based) emissions by at least 42% by 2030 from 2022 baseline.
- Reduce our Scope 3 emissions by at least 25% by 2030 from 2022 baseline. This target includes categories 1 and 2 of the GHG Protocol, which covers over 67% of our baseline operational scope 3 emissions.

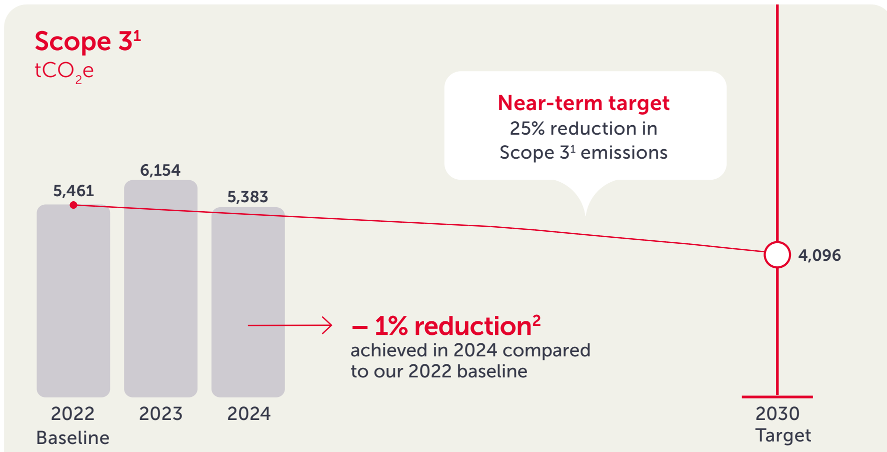
These near-term targets are aligned with the principles of the Science-Based Targets initiative's (SBTi) Corporate Net Zero standard. We are awaiting the outcome of the SBTi's revisions to this standard and will then consider formally committing to, and validating, these near-term targets.

Performance vs target from baseline year

We have recorded consecutive years of reduction in Scope 1 and 2 emissions from our 2022 baseline year, putting us on track to meet our near-term target. In regard to our Scope 3 emissions, we anticipate greater reductions in the coming years as more of our suppliers begin to report their emissions data and implement their own net zero transition plans.

To ensure we remain on track to achieving our targets, we have established key risk indicators aligned to the near-term target we have set and will monitor progress on a quarterly basis, in line with the existing risk management framework outlined on pages 58 to 60.





1. This illustrates Scope 3 emissions for only categories 1 and 2 of the GHG Protocol, aligned with the boundary set in our Scope 3 near-term target.
2. We have undertaken a rebaseline exercise to ensure our baseline Scope 3 emissions reflect our current methodology.

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Our roadmap

Our roadmap sets out the steps we would be required to take to reach operational net zero by 2050. We have identified steps over the near term (before 2030) and the long term (2030 to 2050). Our long-term activities have been included within the roadmap to show our route to achieving net zero, however these are not yet committed actions given the key dependencies outlined below.

Status key:
Completed · Ongoing · Planned · Under consideration

Scope 1 and 2

	Scope	Step	Activity	Estimated annual savings (tCO_2e)	Status
Near term (before 2030)	2 (Electricity)	Switching to renewable electricity tariffs	Electricity across all three offices is now purchased through fully renewable electricity tariffs and verified by Renewable Electricity Guarantees of Origin (REGO) certificates.	228	Completed
	1 (Gas) and 2 (Electricity)	Building upgrades	We will undertake several upgrades to optimise energy efficiency across our Manchester office. These include replacement of air handling units, installation of demand control ventilation units and refurbishment of fan coil units.	86	Planned
Long term (after 2030)	1 (Gas and refrigerants)	Gas boiler replacement[1]	Gas fired boilers to be replaced with high efficiency electrical air source heat pumps capable of providing heating and cooling. This will remove gas usage from our Manchester office in its entirety.	101	Planned
	2 (Electricity)	Install LED lighting[1]	Installation of high-efficacy LED lighting and daylight dimming controls to reduce the energy directly used by lighting whilst also reducing the associated cooling load.	39	Planned
	1 (Refrigerants)	Refrigerant alternatives	Upgrading equipment across our Manchester office to reduce reliance on refrigerants. Where unavoidable, we will look to use greener alternatives to refrigerants.	~5	Under consideration
	1 (Gas) and 2 (Electricity)	Building optimisations and retrofits	Additional optimisations to further improve the overall performance of the Manchester office, including consideration of enhancing the building energy management system complimented by the implementation of analytical monitoring controls, new pump motor technology in the cold water tanks and general upgrades to key infrastructure.	~5	Under consideration

Scope 3

	Category	Steps	Activity	Status
Near term (before 2030)	1: Purchased goods and services and 2: Capital goods	Sustainable procurement policy	We have implemented a sustainable procurement policy during the year which aims to support buyers in making informed sustainability-related decisions as part of the supplier selection process. The policy also requires an annual sustainability due diligence process to be undertaken.	Completed
		Key supplier engagement	Collect emissions data from our largest suppliers and encourage key suppliers to commit to their own net zero commitments, whilst implementing processes to monitor our suppliers' progress against their targets.	Ongoing
Long term (after 2030)	1: Purchased goods and services and 2: Capital goods	Ongoing supplier engagement	Continue to collect and monitor suppliers' emissions data and carbon reduction targets. Engage with all suppliers to ensure they uptake commitments and develop credible transition plans aligned with our own net zero ambition.	Planned

1. For the purposes of achieving net zero we have included these two measures as long-term activities in our roadmap, however these steps could be accelerated into the near term if the proposed changes to MEES regulations are introduced into legislation.

Carbon offsetting and removal

Whilst our primary focus remains on value-chain decarbonisation, we acknowledge the role carbon offsetting plays in achieving our net zero ambitions to address unavoidable emissions. Our roadmap currently includes investment in carbon credits as part of our beyond value chain mitigation and we will continue to monitor our stance on this as best practice recommendations in the offsetting market evolves. To ensure our offsets meet the highest standards, we only invest in carbon credit projects which have been certified by a carbon crediting standard that is aligned with the Integrity Council for the Voluntary Carbon Market (ICVCM) and its Core Carbon Principles (CCPs).

FY24 offsetting: Safe Water Project

We have chosen to offset our Scope 1 and 2 emissions for 2023 by supporting the Safe Water Project in Zambia's Western Province. The project rehabilitates and maintains vital safe water sources that provide a reliable means of access to clean drinking water for local communities, reducing the emissions generated from purifying water and the significant health risks associated with unsafe water. By supporting this project we continue to be carbon neutral for the fifth consecutive year.

	Steps	Activity	Status
Near term (before 2030)	Beyond value chain mitigation (BVCM)	BVCM is a broader mechanism to address global emissions by supporting initiatives that contribute to decarbonisation efforts but fall outside of our Scope 1, 2 and 3 emissions footprint. We continue to offset our Scope 1 and 2 carbon emissions through our ongoing relationship with Carbon Footprint Limited to select carbon credit projects which have been certified by a carbon crediting standard that is aligned with the Integrity Council for the Voluntary Carbon Market (ICVCM) and its Core Carbon Principles (CCPs).	Ongoing
Long term (after 2030)	Nature-based investments	We will invest in nature-based solutions, such as tree planting, to remove our residual 10% of carbon emissions.	Under consideration

Key dependencies

Our operational net zero roadmap is forward-looking and contains a number of key assumptions that are dependent on external factors outside our control. In the development of our detailed transition plan, we have identified both macro and supply chain factors on which we have a key dependency in order to be able to achieve our near-term scope targets.

Scope 1 and 2

Clean tariff accessibility
Decarbonising our Scope 1 and 2 emissions requires continued access to clean, affordable renewable energy through direct tariffs and availability of REGOs.

Energy efficient office availability
We are a growing business and may need to increase our office space in future years. We are therefore dependent on the availability of energy-efficient offices aligned to our carbon reduction targets.

Scope 3

Supplier commitments
The willingness and ability of suppliers to establish targets and deliver on their climate transition plans.

Government policy
New policies on reducing greenhouse gas emissions and introduction of new sustainability reporting requirements will be required to help deliver decarbonisation across the value chain.

Data quality
Better data availability from all suppliers is critical to enable us to accurately model our future emissions for the purpose of reporting on target progress.

Global decarbonisation
Structural changes in key systems and markets, such as to new energy-saving technologies and decarbonisation of the national grid.

Looking ahead

We acknowledge the existing Corporate Net Zero Standard, to which our existing near-term target is aligned, is currently undergoing major revision with V2.0 coming into effect in 2026. As such, once the new standards are published, we will review our existing near-term targets against the latest methodology, to ensure we are compliant before we consider committing to SBTi.

Building on the initial processes established during the year, we will continue to engage with our key suppliers so that we can improve the quality of data we receive from the supply chain. This will allow us to enhance our analysis, identify hotspots and evaluate the feasibility of achieving substantial carbon reductions over the long-term time horizon.

Our roadmap summarises our latest assessment of the steps we have identified as integral to successfully achieving our net zero aspirations. We recognise that our roadmap will continue to evolve as we progress through the plan.

Our approach

Climate change is one of the most significant global challenges we face today. It is a critical issue impacting all our stakeholders and wider society. At AJ Bell, we recognise the importance of societal action to reduce global emissions and are committed to playing our part in the transition to a lower-carbon economy.

We are pleased to present our third report on climate-related disclosures, aligned to the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures.

During the year, we have focused on increasing compliance with areas of the recommended disclosures we did not fully comply with in last year's report. This included setting operational near-term carbon reduction targets and further developing our roadmap to achieving net zero across our operations.

The report is structured around the four pillars of the TCFD framework: governance, strategy, risk management, and metrics and targets. Our disclosures have also been informed by the accompanying financial sector guidance as well as the TCFD's other relevant guidance materials.

Climate-related data and methodological challenges

We have used climate-related data to monitor our exposure to identified climate-related risks and measure the climate-related metrics included within this report. This data has been supplied by multiple third-party providers as detailed in the report, and we have placed reliance on the accuracy of the data provided.

We have observed gaps relating to the availability of data, and lack of industry alignment on scenario analysis and Scope 3 emissions calculation methodologies, and expect future iterations of this report to build on our experience to strengthen metrics and methodologies.

TCFD compliance statement

As required by paragraph 8(a) of Listing Rule 6.6.6R, we set out in the table below our statement of compliance with the TCFD Recommendations and Recommended Disclosures.

Where disclosures have been partially omitted, we have detailed the reasons for not including such disclosures, the steps we are taking in order to be able to make those disclosures in the future, and the timeframe in which we expect to be able to make those disclosures.

Disclosure level:

● Full ◐ Partial ○ Omitted

TCFD recommendation		Status
Governance: Disclose the organisation's governance around climate-related risks and opportunities.		
a) Describe the Board's oversight of climate-related risks and opportunities.	Full	We have reported how the Board and its Committees oversee our climate-related risks and opportunities on page 48.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Full	We have reported management's roles and responsibilities in assessing and managing climate-related risks on page 48.
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Full	We have disclosed the climate-related risks identified over the short, medium, and long term on pages 48 and 49.
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Full	We have detailed the financial impact and our strategic response for each risk identified on page 49.
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Partial	We have performed scenario analysis over our identified risks, details of which have been disclosed on page 49. This year the focus has been on qualitative analysis whilst we continue to explore approaches to quantitative analysis for future reports.
Risk management: Disclose how the organisation identifies, assesses, and manages climate-related risks.		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	Full	Our approach to the identification, assessment and management of climate-related risks is integrated into our Group risk management framework, further details of which are disclosed in our Risk management report on pages 58 to 60. Climate-related risks, controls and Key Risk Indicators (KRIs) are mapped to the ESG risk appetite category and reviewed at the ESG working group, Risk Management Forum, Executive Risk Committee and Risk & Compliance Committee. We have recognised an ESG-related principal risk and uncertainty, which includes climate-related risks. Further information is provided on page 61.
b) Describe the organisation's processes for managing climate-related risks.	Full	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Full	
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Full	We split our metrics by the impact of our operations and the impact of our investments. We have reported the metrics on pages 50 to 52.
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	Full	We have disclosed our Operational Scope 1, 2 and 3 emissions on page 50. We have disclosed our AJ Bell Investments Scope 3 emissions for our Funds and Managed Portfolio Service on page 52.
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Partial	We have set operational near-term targets and further developed our roadmap to achieving net zero on pages 42 to 45. We will continue to assess the feasibility of longer-term net zero targets before committing to them.

Strategic report
Governance
Financial statements
Other information

Governance

Climate governance is captured in our Responsible Business governance framework, as detailed on page 29.

Board oversight of climate-related risks and opportunities

The Board is responsible for the conduct of our business and the development of its strategy, as well as promoting the long-term sustainable success of the business. This includes our strategy relating to climate-related risks and opportunities.

The Board has delegated specific powers, duties and decision-making responsibilities to its five main committees as set out in our Corporate Governance report on pages 78 to 80. The Risk & Compliance Committee and Audit Committee have oversight responsibility for aspects of our approach to managing climate-related risks and opportunities, as set out below.

Board Committee	Responsibility	Activity in FY24
AJ Bell plc Board	The Board is responsible for the conduct of our business and the development of its strategy, as well as promoting the long-term sustainable success of the business. This includes our strategy relating to climate-related risks and opportunities.	• Reviewed annual management progress updates on our responsible business strategy, including TCFD.
Risk & Compliance Committee	The Committee is responsible for ensuring that climate risk is effectively embedded in risk management frameworks and risk reporting and understanding how climate change poses a threat to the organisation.	• Reviewed climate-related risk assessments and scenario analysis.
Audit Committee	The Committee is responsible for scrutinising climate-related financial information and disclosures, applying the same process and quality assurance methods as for financial information.	• Reviewed the Group's TCFD disclosures.

During the year, the Non-Executive Directors held a forum to review our operational net zero roadmap and proposed targets. The forum challenged management on the proposed transition plan to net zero and provided further actions for management to consider before committing to a net zero target.

Further information on the activities of the Board and its Committees during the year is provided in the Governance section of this report from pages 70 to 123.

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

The CFO has the delegated authority from the Board to manage our ESG strategy, including our climate-related risks and opportunities. The CFO is supported by our cross-functional ESG working group for the consolidation of our approach and co-ordination of day-to-day activities.

In addition to review from the ESG working group, the identified climate-related risks and opportunities were governed in line with our risk management framework, which included review and challenge of climate-related risk assessments and scenario analysis by the Risk Management Forum and Executive Risk Committee ahead of being presented to the Risk & Compliance Committee.

Relevant processes and responsibilities are embedded into our Finance, Risk and Operational functions.

Strategy

Climate-related risks and opportunities

To ensure our strategy adequately responds to climate-related risks and opportunities, we have performed an assessment of our exposure to a range of climate-related risks and opportunities, including both the physical and transitional risks of climate change.

Physical risks are caused by changes in the climate and can be event-driven (acute) through the increased frequency and severity of extreme weather events such as hurricanes or floods, or result from longer-term shifts in climate patterns (chronic) such as rising sea levels or chronic heat waves.

Transitional risks are caused by the adjustment towards a net zero economy, which will involve significant changes to policy, technology, law, and investor and consumer attitudes.

We assessed the risks and opportunities over the short term (5 years), medium term (10 years) and long term (30 years).

To help inform the assessment of the identified climate-related risks and opportunities, we have considered their potential impacts under different transition pathways using climate scenario analysis. These scenarios are not predictions of climate-related outcomes but are used as hypothetical scenarios to aid our understanding of the impact that climate change could have on our business.

We selected three scenarios based on those constructed by the Network for Greening the Financial System (NGFS) (Phase IV). Many central banks, including the Bank of England, carry out assessments based on NGFS scenarios. We have intentionally selected three contrasting scenarios; one representing a smooth and orderly transition, one involving heightened transition risks due to a disorderly transition, and a third which incorporates more extreme physical risks due to a lack of climate-related policy.

Our climate scenario analysis has been primarily qualitative in nature. We view this as an iterative process and will look to build on our assessment in future years so that it can further inform our strategy and risk assessment.

Scenario	Policy ambition	Description
Net Zero 2050	1.4°C	An ambitious scenario which limits global warming to 1.5°C. Climate policies are assumed to be introduced early on, gradually becoming more stringent.
Delayed Transition	1.6°C	This scenario assumes global emissions do not decrease until 2030. Climate policies are delayed leading to higher transition and physical risks than Net Zero 2050.
Current Policies	3°C+	A scenario of low ambition assuming only those climate policies currently implemented are made. Transition risks are not as high as a disorderly transition but there are severe physical risks.

We have summarised each of the climate-related risks identified below, including the potential impact of these risks and our strategic response.

Our responses to the risks identified also present opportunities for the business. For example, by offering responsible investment solutions to our customers, we can reduce the risk of falling asset values impacting our revenue, whilst also providing an opportunity to capitalise on changing consumer demand for these solutions.

Probability:

Unlikely Possible Likely

Risk	Definition	Potential impact		Probability: Short term	Probability: Medium term	Probability: Long term	Strategic response
Reputational (Transition)	The risk that customers are unhappy with the level of responsible investment options available on our platform, or the accuracy and completeness of product information. The risk that customers or stakeholders perceive that our response to climate change is inadequate.	Customers direct capital to alternative platforms. We experience reduced customer demand for our responsible products and potential litigation action.	1.4°C	Possible	Possible	Unlikely	• We provide a wide range of sustainable investment options on our platform, including managed investment solutions of our own which consider ESG factors. • We review our AJ Bell Investments' responsible product literature to ensure it complies with regulations, such as the Anti-Greenwashing Rule. • We are implementing the FCA's Sustainability Disclosure Requirements, both as manufacturer and distributor, recognising the key role we play in communicating sustainability information to retail investors. • We embedded the TCFD recommendations and have developed short-term carbon reduction targets in our journey to achieve operational net zero. We are also assessing longer-term targets to meet our ambitions to decarbonise.
			1.6°C	Unlikely	Possible	Possible	
			3°C+	Unlikely	Unlikely	Possible	
Market (Transition and Physical)	The risk that climate change or the transition to a lower-carbon economy negatively impacts the global economy, and therefore the value of assets on our platform and in our range of managed investment solutions.	Assets with exposure to climate-related risks could face reductions in value, impacting customer returns and our fee revenues.	1.4°C	Possible	Possible	Unlikely	• We offer a diverse range of investments on our open-architecture platform, allowing our customers to diversify and respond to changing macroeconomic trends. • We provide Morningstar's Sustainability Rating for funds available on our platform and continue to review how we can make climate-related information available. • We have carried out developments to provide access to sustainability labels and SDR-related disclosures, where provided by product manufacturers. • AJ Bell Investments offers responsible investment solutions with ESG-specific considerations.
			1.6°C	Unlikely	Likely	Possible	
			3°C+	Unlikely	Possible	Likely	
Policy, legal and regulatory (Transition)	The risk that there is a need to comply with increasing legal, regulatory, and disclosure obligations.	Increased cost to the business to meet the requirements and / or restrictions to product offerings.	1.4°C	Likely	Likely	Unlikely	• Our Risk and Compliance functions conduct regular horizon scanning and review regulatory publications on an ongoing basis. • We seek to comply with all climate-related regulatory requirements through a materiality lens, ensuring cost of compliance is kept under control.
			1.6°C	Unlikely	Likely	Possible	
			3°C+	Unlikely	Unlikely	Unlikely	
Acute & Chronic (Physical)	The risk of longer-term changes in climate patterns such as flooding, extreme weather and higher temperatures impacting our operations.	Increased cost to the business due to risk of flooding at our offices or reduced employee productivity.	1.4°C	Unlikely	Unlikely	Unlikely	• Our hybrid working model provides operational resilience to the potential impact of flooding at our offices.
			1.6°C	Unlikely	Unlikely	Unlikely	
			3°C+	Unlikely	Possible	Likely	

Metrics and targets

Our climate-related metrics focus on the impact our business activities have on the environment. We measure and report our impact in two distinct categories:

1. The impact of our operations

This is the direct and indirect impact we have on the environment from our operations. We measure and report our key metrics being our Scope 1, 2 and 3 greenhouse gas emissions, excluding category 15 investments, and our carbon intensity metrics per customer and employee.

2. The impact of our investments

This is the impact we have on the environment through our AJ Bell Investments' discretionary managed investment solutions. We measure and report the carbon footprint and weighted average carbon intensity (WACI) of our discretionary AUM.

1. The impact of our operations

As a financial services business, our direct operational environmental impact is primarily from the emissions generated in running our three offices in Manchester, London and Bristol, and the indirect emissions generated in our supply chain.

Our operational CO_2e emissions

Emissions	2024	2023
Scope 1 and 2	Tonnes of CO_2e	
Scope 1	**182**	223
Scope 2 (location-based)	**139**	136
Scope 2 (market-based)	**136**	235
Total Scope 1 and 2 (market-based)	**318**	458
Scope 3	Tonnes of CO_2e	
1. Purchased goods and services[1]	**5,181**	5,876
2. Capital goods[1]	**202**	278
3. Fuel and energy-related activities	**75**	71
5. Waste generated in operations	**2**	2
6. Business travel	**228**	221
7. Employee commuting and working from home[2]	**1,110**	1,114
8. Upstream leased assets[3]	**170**	170
Total Scope 3	**6,968**	7,732
Total Scope 1, 2 and 3	**7,286**	8,190
Intensity per FTE (Scope 1 and 2)[4]	**0.23**	0.36
Intensity per customer (Scope 1, 2 and 3)[4]	**0.013**	0.017

Energy usage	kWh	
Energy consumption in the UK[1]	**2,241,984**	2,160,906

1. The methodology for calculating purchased goods and services and capital goods has been refined in 2024, with our emissions calculated under the spend-based approach using a more granular industry average emissions database. We have rebaselined our emissions for the purpose of monitoring our performance against targets (see page 43) and have also restated our 2023 emissions in our TCFD disclosure to reflect the latest methodology.
2. Following a data review of our employee commuting data, 2023 has been restated to 1,113 tCO_2e (previously 637 tCO_2e).
3. In 2024, we sourced data from the building manager to show electricity consumption in landlord common areas at our Manchester head office. We have therefore restated both the Scope 3 category 8 emissions and SECR energy usage disclosure for FY23 to reflect this. We do not control the purchase of electricity in these areas therefore we have categorised emissions pertaining to these areas under Scope 3.
4. In line with our target setting approach to measure Scope 2 emissions under the market-based method, we have restated 2023 intensity measures to reflect Scope 2 market-based emissions.

We are pleased to report a 38% reduction in our total Scope 1 and 2 emissions intensity per FTE in the year as we switched to renewable energy tariffs in the year across all our offices.

The most significant driver of our Scope 3 emissions relates to the goods and services purchased in our supply chain. There has been a change in the composition of our supplier spend during the year, with more spend weighted towards those suppliers who publicly report on their carbon emissions. This has contributed to a reduction in our overall emissions year-on-year as our suppliers implement their own carbon reduction initiatives.

Methodology and boundary

The Greenhouse Gas (GHG) reporting period is aligned to the financial reporting year. The methodology used to calculate emissions is based on the financial consolidation approach, as defined in The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

The Group's carbon footprint was calculated using an operational control approach. Under this approach, all entities and associated assets over which the Group has 100% operational control are included under the organisation's Scope 1 and 2 emission categories. All other entities, over which the Group does not have 100% operational control, such as third-party processing sites and data centres, are included in the organisation's Scope 3 emissions along with all other indirect emissions associated with the organisation.

We have chosen to report our operational Scope 1 and 2 emissions per FTE, and our operational Scope 1, 2 and 3 emissions per customer as our intensity measures. We have used these measures as our Scope 1 and 2 emissions are primarily driven by our employees working in our offices, whilst purchased goods and services represent 74% of our total Scope 1, 2 and 3 emissions with this spend primarily driven by serving the needs of our customers.

Scope	Category	Source	Calculation methodology
1	**Gas**	Meter reads	Actual consumption data is gathered from meter readings and converted using the relevant emission conversion factors from the DEFRA (2024) database.
	Other fuels	Meter reads	We have estimated consumption during the period based on meter readings from the date of last service and the year-end date, extrapolated to reflect the full period. The relevant emission conversion factors are then applied using the DEFRA (2024) database.
	Refrigerant gas	Servicing reports	Actual consumption data is gathered from servicing reports during the period, which details refrigerant top ups by refrigerant type. Relevant emission conversion factors from the DEFRA (2024) database are then applied.
2	**Electricity (location-based)**	Meter reads	Actual consumption data is gathered from meter readings and converted using the relevant emission conversion factors from the DEFRA (2024) database.
	Electricity (market-based)	Meter reads	We collect Renewable Electricity Guarantees of Origin (REGO) certificates for those offices on renewable tariffs. Any consumption under these agreements is determined to carry nil emissions during the period covered by the tariff. For those offices where a REGO is not in place during the period, a residual mix emissions factor has been applied.
3	**1: Purchased goods and services and 2: Capital goods**	Actual supplier spend during the period	A spend-based approach has been used to calculate both purchased goods and services and capital goods emissions. Where available, we use actual supplier emissions data, from the most recent Carbon Disclosure Project (CDP) response dataset or published company reports. Data gaps were supplemented using industry average emissions contained within the Small World Consulting multi-regional input-output model.
	3: Fuel and energy-related activities	Scope 1 and 2 consumption	We apply a Well-To-Tank (WTT) emissions factor, obtained from the DEFRA (2024) database, to our Scope 1 and 2 consumption.
	5: Waste generated in operations	Estimated based on WRAP Waste benchmark	Waste generation is estimated using our latest FTE number from each site and applying the usage rate (kg / FTE / annum) derived from the WRAP Waste benchmark. We then apply the relevant emission conversion factors from the DEFRA (2024) database.
	6: Business travel	Actual spend and expensed mileage data	We use both spend-based and actual distance data to calculate our business travel emissions. Spend data was converted into distance using industry averages. The relevant emission conversion factors from the DEFRA (2024) database are then applied to each type of business travel expense.
	7: Employee commuting and working from home	Employee sustainability survey	We collected data from staff on their home working and travel arrangements as part of an annual employee sustainability survey. For working from home emissions, assumptions within the EcoAct (2020) whitepaper were used to calculate energy usage. The relevant emission conversion factors from the DEFRA (2024) database are then applied.
	8: Upstream leased assets	Electricity bills	Electricity bills are collected from the building manager for common area electricity usage. The relevant emission conversion factors from the DEFRA (2024) database are then applied.

Critical to good reporting is a well-defined reporting boundary. We have reviewed the boundary for our operational GHG emissions reporting to ensure it remains appropriate. During the year, following a review of our electricity consumption data at our Manchester head office, we identified consumption data relating to landlord common areas. We do not control the purchase of electricity in these areas and therefore aligned to our operational control methodology, have identified emissions from this source as indirect (Scope 3). We have categorised these emissions under category 8, being emissions produced from leased assets. We have considered the following Scope 3 categories to be out of the boundary of our reporting:

- 4. Upstream transportation and distribution – included in category 1, purchased goods and services.
- 9 – 14. Downstream categories – we do not produce and distribute physical goods or operate any franchises.
- 15. Investments – we have reported the impact of our discretionary managed investment solutions in the impact of our investments.

2. The impact of our investments

We utilise the WACI and carbon footprint as the key metrics for measuring the impact of our AJ Bell Investments Funds and Managed Portfolio Service on the environment. We use these metrics as they represent our portfolio's exposure to carbon-intensive companies.

WACI provides information on the level of Scope 1 and 2 emissions within our Funds and Managed Portfolio Service per million $ of revenue that is generated by the underlying entities.

Carbon footprint represents the share of Scope 1 and 2 emissions generated by underlying holdings per million $ that is invested in our Funds and Managed Portfolio Service.

Our investments' carbon footprint emissions

Product	2024	2023
	Tonnes of CO_2e per $m AUM	
AJ Bell Funds	**74**	113
Managed Portfolio Service	**61**	90

Our investments' carbon intensity (WACI)

Product	2024	2023
	Tonnes of CO_2e per $m revenue	
AJ Bell Funds	**147**	159
Managed Portfolio Service	**133**	138

Coverage of assets

Product	2024	2023
	% Total AUM	
AJ Bell Funds	**85%**	70%
Managed Portfolio Service	**83%**	55%

We are pleased to report a reduction in our carbon footprint and WACI across our AJ Bell Funds and Managed Portfolio Service during the year. Going forwards, we aim to continue to increase the coverage of our financed emissions reporting through improvements to our data collection process.

Methodology and boundary

We have defined our methodology in line with the Partnership for Carbon Accounting Financials (PCAF), the global emissions standard for the financial industry as recommended by the TCFD supplemental guidance for asset managers. In line with the standard, we have performed our calculation using the enterprise value including cash (EVIC) methodology.

Access to reliable climate-related data covering all underlying holdings is an industry-wide challenge. In calculating our footprint and WACI, we currently have some gaps, such as emissions from sovereign bonds, and therefore we have reported a coverage percentage which represents the proportion of total assets within our Funds and Managed Portfolio Service for which we have sourced the required data, and which are therefore included within our calculation. We will continue to monitor industry-wide developments for an aligned approach to quantifying sovereign bonds' financed emissions.

In FY24 we have sourced the relevant emissions data for the investments that our portfolios hold at the fund level from MSCI, aligned to the way in which our funds are managed. This contrasts with the approach taken in previous years where we obtained the data from the underlying equities within the investments held across all AJ Bell Funds and Managed Portfolio Service. We have not updated the prior year emissions to reflect the new methodology approach.

MSCI collects reported emissions data once per year from the most recent corporate sources. When companies do not disclose data, or where an underlying equity's emissions are not aligned with GHG Protocol framework or do not represent emissions across all its geographies and operations, MSCI ESG Research uses proprietary Scope 1 and 2 carbon emissions estimation models to derive the data. Due to the volume of data, it is not practical to undertake an independent verification of MSCI's data. We have therefore placed reliance on the accuracy of data provided by MSCI for the purposes of the calculation.

The calculation is based on our portfolio asset allocation as at 30 September 2024. Due to data limitations, where we have gaps, we reweight our portfolio to 100%.

Investments net zero

We will continue to monitor the development of net zero standards for financial institutions and seek to understand the impact of net zero on our investments business as the business continues to grow.

We aim to comply with all areas of the Non-Financial Reporting requirements contained within sections 414CA and 414CB of the Companies Act 2006.

Information regarding non-financial matters is included throughout our Strategic report and the following table summarises the policies and outcomes together with references to where further information can be found.

Reporting requirement	Some of our relevant policies and standards	Where to read more in this report about our impact	Page(s)
Environmental matters	• Environmental Policy	Environmental awareness	42–45
Employees	• Employee Handbook • Health and Safety Policy • Diversity and Inclusion Policy • Recruitment and Selection Policy • Hybrid Working Policy • General Remuneration Policy • Whistleblowing Policy • Safeguarding Policy	Responsible employer	34–38
Social matters	• Treating Customers Fairly • Charitable Giving in the Community Policy	Supporting our local communities	39–41
Human rights	• Human Rights Policy • Modern Slavery Statement	Human rights and modern slavery	38
Anti-corruption and anti-bribery	• Anti-Bribery and Corruption Policy • Anti-Money Laundering Policy • Gifts and Hospitality Policy • Market Abuse Policy	Anti-bribery and corruption	38
Climate-related financial disclosures	• TCFD report	Climate-related financial disclosures	46–52

Additional information	Where to read more in this report	Pages
Business model	Our business model	20–21
Principal risks and how they are managed	Principal risks and uncertainties	61–66
Non-financial KPIs	Key performance indicators	22–23

Delivering our growth ambitions

> Our consistently strong financial performance has enabled us to invest in enhancing our propositions, lowering charges for our customers and increasing our brand awareness whilst delivering record results."
>
> **Peter Birch**
> Chief Financial Officer

Revenue
£269.4m
+23%

PBT
£113.3m
+29%

Overview

We are pleased to report excellent results for our business this year, achieving record highs in customer numbers, AUA, revenue and profit. Our dual-channel platform achieved very strong net inflows of £6.1 billion (FY23: £4.2 billion) and customer growth of 14% (FY23: 12%) as we realised the benefits of the investments we made in the business and retail investor confidence improved.

Our diversified revenue model enables us to deliver sustainable profit in different market conditions. Revenue increased by 23% to £269.4 million (FY23: £218.2 million), with increasing margins driving PBT up 29% to £113.3 million (FY23: £87.7 million).

The low-cost element of our business strategy ensures we can offer great value to our customers, and to achieve this we have continued to focus on maintaining an efficient operating model. We are reviewing processes, optimising resource allocation and leveraging technology as part of an organisational-wide initiative to continue to drive future operational efficiency. These efforts will deliver controlled cost growth and ensure we retain the capacity to invest in the business to deliver long-term growth.

Alongside consistently delivering strong business growth, we have also returned capital to shareholders in the form of a progressive dividend. Our excellent financial performance over recent periods, supported by our highly cash-generative business model, has allowed us to accumulate surplus capital beyond regulatory requirements. Consequently, the Board recommends a final dividend of 8.25 pence per share (FY23: 7.25 pence per share), alongside the launch of a share buyback programme of up to £30 million, set to begin immediately.

Business performance

Customers

Customer numbers increased by 66,000 during the year to a total of 557,000 (FY23: 491,000). D2C customers increased by 17%, with advised customers up by 8%. Our platform customer retention rate remained high at 94.2% (FY23: 95.2%).

	30 September 2024 '000	30 September 2023 '000
Advised platform	**171**	159
D2C platform	**371**	317
Total platform	**542**	476
Non-platform	**15**	15
Total	**557**	491

Assets under administration

Year ended 30 September 2024

	Advised platform £bn	D2C platform £bn	Total platform £bn	Non-platform £bn	Total £bn
As at 1 October 2023	48.2	22.7	**70.9**	5.2	**76.1**
Inflows	6.5	6.6	**13.1**	0.3	**13.4**
Outflows	(4.3)	(2.7)	**(7.0)**	(0.3)	**(7.3)**
Net inflows	2.2	3.9	**6.1**	–	**6.1**
Market and other movements	5.7	3.8	**9.5**	0.5	**10.0**
As at 30 September 2024	56.1	30.4	**86.5**	5.7	**92.2**

Year ended 30 September 2023

	Advised platform £bn	D2C platform £bn	Total platform £bn	Non-platform £bn	Total £bn
As at 1 October 2022	44.8	19.3	64.1	5.1	69.2
Inflows	5.0	4.3	9.3	0.2	9.5
Outflows	(3.1)	(2.0)	(5.1)	(0.3)	(5.4)
Net inflows / (outflows)	1.9	2.3	4.2	(0.1)	4.1
Market and other movements	1.5	1.1	2.6	0.2	2.8
As at 30 September 2023	48.2	22.7	70.9	5.2	76.1

We achieved platform net inflows of £6.1 billion (FY23: £4.2 billion), up 45% versus the prior year, highlighting the strength of our overall customer value proposition in both the advised and D2C markets.

Advised platform net inflows were £2.2 billion (FY23: £1.9 billion), driven by an increase in gross inflows to £6.5 billion (FY23: £5.0 billion). We have seen higher inflows from new customers supported by an uptick in inbound migration activity, as advisers were more willing to bulk transfer customers in FY24 following stronger market conditions. Outflows in the year increased to £4.3 billion (FY23: £3.1 billion), predominantly driven by higher levels of client withdrawals in response to inflationary pressures, and to a lesser extent, the impact of recent adviser consolidation.

D2C platform net inflows were £3.9 billion (FY23: £2.3 billion). Gross inflows increased to £6.6 billion (FY23: £4.3 billion), as investor confidence improved following a strong recovery in global equity markets. We achieved a 63% increase in SIPP gross inflows, reiterating the importance of tax-wrapped products for our customers, and also delivered strong inflows from new customers as our investment in brand continued to deliver results. Outflows increased to £2.7 billion (FY23: £2.0 billion), reflecting the overall growth in customers numbers, as well as some customers drawing down on their investments to meet higher costs of living.

Non-platform net inflows remained stable in line with our expectation, with AUA closing at £5.7 billion (FY23: £5.2 billion). Favourable market movements contributed £10.0 billion (FY23: £2.8 billion) as global equity values continued to recover strongly from the challenges experienced in previous years. This resulted in record closing AUA of £92.2 billion (FY23: £76.1 billion).

Assets under management

	30 September 2024 £bn	30 September 2023 £bn
Advised	**3.5**	2.5
D2C	**1.9**	1.3
Non-platform[1]	**1.4**	0.9
Total	**6.8**	4.7

1. Non-platform AUM relates to AJ Bell Funds and MPS held on third-party platforms.

We continue to see increased demand for our suite of straightforward, cost-effective investment solutions particularly in the advised market via AJ Bell Investcentre and third-party adviser platforms. We recorded net inflows of £1.5 billion, supported by strong investment performance that generated market movements of £0.6 billion, resulting in total AUM closing at £6.8 billion (FY23: £4.7 billion).

Financial performance

Revenue

	Year ended 30 September 2024 £000	Year ended 30 September 2023 £000
Recurring fixed	**32,078**	30,666
Recurring ad valorem	**202,040**	161,152
Transactional	**35,317**	26,416
Total	**269,435**	218,234

Revenue increased by 23% to £269.4 million (FY23: £218.2 million).

Recurring fixed fees increased by 5% to £32.1 million (FY23: £30.7 million), driven by increased pension administration revenue following growth in our advised platform customers.

Recurring ad valorem revenue grew by 25% to £202.0 million (FY23: £161.2 million) with two key driving factors. Firstly, we earned higher custody fee income in the period, driven by the higher average AUA on the platform. Secondly, net interest income generated on customer cash balances held on the platform also increased with the rate retained peaking in March. Cash held on the platform is readily available for customers to invest or withdraw and in most cases represents a temporary position while customers await investment opportunities. Our economies of scale allow us to generate better gross interest rates which enables us to pay market-competitive rates on customers' cash balances and keep our charges low. Further information on the impact to revenue of changes to the UK base interest rate has been disclosed in note 25 to the consolidated financial statements.

Transactional fees increased by 34% to £35.3 million (FY23: £26.4 million). Dealing activity was higher in the year due to improved retail investor sentiment following a recovery in global equity markets. FX revenue was also strong due to increased levels of dealing in overseas shares, particularly US.

Our consolidated revenue margin increased to 31.6bps (FY23: 29.8bps). This was in line with expectation following the increases to revenue detailed above. The revenue margin in the second half of the year was lower than the first half following the reduction in charges across the platform, which were effective from 1 April 2024, as we passed on the benefits of our scale to our customers.

In FY25, we expect our revenue margins to moderate slightly taking into account the annualised impact of our recent charge reductions. We expect our revenue margins to be sustainable beyond 2025.

Administrative expenses

	Year ended 30 September 2024 £000	Year ended 30 September 2023 £000
Distribution	**29,592**	25,928
Technology	**49,873**	40,317
Operational and support – underlying	**76,453**	64,991
Operational and support – exceptional	**6,239**	778
Total	**162,157**	132,014

Total administrative expenses increased by 23% to £162.2 million (FY23: £132.0 million) as we delivered planned investments in our people, technology and brand. The largest expense remains staff costs, which increased by £15.5 million to £80.3 million (FY23: £64.8 million) as we increased headcount to support our growth. We also further enhanced our benefits package and ensured that our people received appropriate salary increases that reflected the high inflation environment at the start of the year.

Distribution costs increased by 14% to £29.6 million (FY23: £25.9 million). This was driven by the delivery of our multi-channel advertising campaign, alongside our decision to increase spend on direct marketing activity in the lead up to the tax year end resulting in over 12,000 new customers joining the platform in March alone. As part of our initiatives to raise brand awareness we have continued our partnership as the title sponsor of the AJ Bell Great Run Series. In addition, we incurred costs relating to our new Ready-made pension service, which enables customers to locate their existing pensions and easily consolidate them into our range of award-winning funds.

Technology costs increased by 24% to £49.9 million (FY23: £40.3 million). We have continued to invest in our change teams to increase the pace at which we deliver enhancements to the platform. Our improved change capacity gave us the confidence to accelerate certain improvements to AJ Bell Investcentre in the second half of the year that had originally been planned for FY25, which resulted in technology costs being slightly higher than we guided in May 2024. This additional investment will deliver longer-term efficiencies.

Underlying operational and support costs increased by 18% to £76.5 million (FY23: £65.0 million) with 4% of the increase being higher transaction costs and higher variable pay, which were a direct consequence of increased customer dealing activity and the record financial performance of the business. The year-on-year increase also reflected a higher-than-normal level of salary inflation, which is expected to settle in future years, as well as increased headcount to drive business growth.

Exceptional operational and support costs of £6.2 million (£0.8 million) represent a provision for potential customer redress relating to historical SIPP operator due-diligence issues in respect of non-mainstream investments made by customers who had regulated financial advisers acting for them prior to 2014. During the year a small number of Financial Ombudsman Service (FOS) complaints were upheld in favour of customers and the provision represents management's best estimate of the cost to compensate these customers as well as other customers with comparable circumstances. The issue is historical in nature and does not relate to our ongoing business. We have one remaining FOS case in relation to such investments which has recently been provisionally upheld in our favour, compared with circa 800 open cases across the industry per the FCA's Dear CEO letter of 4 November 2024. On the basis of published FOS decisions, we believe that future complaints would be time-limited.

In FY25, we expect inflationary pressures to ease and further operational gearing to be realised. We will continue to invest to deliver our strategic priorities whilst maintaining strong profit margins.

Profitability and earnings

Investment income of £6.9 million (FY23: £2.4 million) was driven by higher interest earned on corporate cash balances in the year.

PBT increased by 29% to £113.3 million (FY23: £87.7 million) whilst PBT margin increased to 42.0% (FY23: 40.2%). The higher profit margin versus the prior year reflects the higher revenue margins combined with a lower rate of cost growth as we continue to drive cost efficiencies as part of our strategic focus.

The standard rate of UK corporation tax remained at 25.0% throughout the year. Our effective rate of tax for the period was slightly ahead of this at 25.6% (FY23: 22.2%).

Basic earnings per share rose by 23% to 20.46 pence (FY23: 16.59 pence) in line with the increase to PBT. Diluted earnings per share (DEPS), which accounts for the dilutive impact of outstanding share awards, also increased by 23% to 20.34 pence (FY23: 16.53 pence).

Financial position

The Group's financial position remains healthy, with net assets totalling £204.0 million as at 30 September 2024 (FY23: £166.0 million) and a return on assets of 41% (FY23: 41%).

Financial resources and regulatory capital position

Our financial resources are continually kept under review, incorporating comprehensive stress and scenario testing which is formally reviewed and agreed at least annually.

	Year ended 30 September 2024 £000	Year ended 30 September 2023 £000
Total shareholder funds	**203,990**	166,037
Less: unregulated business capital	**(4,150)**	(3,675)
Regulatory group shareholder funds	**199,840**	162,362
Less: foreseeable dividends	**(34,019)**	(29,807)
Less: foreseeable share buyback	**(30,000)**	–
Less: non-qualifying assets	**(12,994)**	(12,887)
Total qualifying capital resources	**122,827**	119,668
Less: capital requirement	**(59,577)**	(53,930)
Surplus capital	**63,250**	65,738
% of capital resource requirement held	**206%**	222%

During the year, we have continued to maintain a healthy surplus over our regulatory capital requirement and as at the balance sheet date this was 206% (FY23: 222%) of the capital requirement.

We operate a highly cash-generative business, with a short working-capital cycle that ensures profits are quickly converted into cash. We generated net cash from operating activities of £96.3 million (FY23: £101.4 million) and held a significant surplus over our basic liquid asset requirement during the period, with our year-end balance sheet including cash balances of £196.7 million (FY23: £146.3 million).

Shareholder capital returns

For FY24, in line with our new capital allocation framework, the Board has recommended a final dividend of 8.25 pence per share (FY23: 7.25 pence per share), resulting in a total ordinary dividend of 12.50 pence (FY23: 10.75 pence) for the year. This equates to a pay-out of 61% of statutory profit after tax and is our 20th year of progressive ordinary dividend growth. Reflecting the significant surplus capital held in excess of our regulatory requirements, alongside our commitment to deliver enhanced shareholder returns, the Board approved a new share buyback programme of up to £30 million, to be completed before the end of the forthcoming financial year to 30 September 2025.

Peter Birch
Chief Financial Officer

4 December 2024

Our capital allocation framework

Following a review of our long-standing dividend policy, a new capital allocation framework has been approved during the year which will see us move away from the 65% fixed targeted ordinary dividend payout ratio in favour of a more formal progressive ordinary dividend policy, better aligned to our highly cash-generative and capital light business model. The new framework has no specific payout target thereby providing greater flexibility to ensure capital resources are utilised effectively to deliver long-term value to our shareholders, whilst retaining our commitment to a progressive dividend.

Under our new capital allocation framework, we will consider both the appropriateness of, and mechanism for, returning surplus capital to shareholders on an annual basis.

Financial strength
Maintain an appropriate level of regulatory capital and liquidity

Organic investment
Targeted investments to drive long-term business growth, whilst maintaining good cost discipline

Supporting local communities
Commitment to donate 0.5% of profit before tax to the AJ Bell Futures Foundation annually

Ordinary dividend
A regular, progressive ordinary dividend

Inorganic investment opportunities
Consideration of potential bolt-on acquisitions to support our strategy

Additional capital returns
Return of surplus capital not required for other priorities considered annually

Effective risk **approach**

> "In an ever-evolving regulatory landscape, effective risk management and the accompanying tone from the top is key for the business to grow sustainably, reach its strategic goals and deliver good customer outcomes."
>
> **Karen Goodman**
> Chief Risk Officer

Risk management framework

The risk management framework supports the consistent and robust identification and management of opportunities and risks across the Group. It can be summarised by the following diagram.

- **Risk strategy**
- **Risk appetite**
- **Risk taxonomy**
- **Risk reporting**
- **Risk identification**
- **Combined Assurance Model (CAM)**
- **Risk assessment and management**
- **Policy governance framework**
- **Risk & control self-assessment (RCSA)**
- **Internal Capital Adequacy and Risk Assessment (ICARA)**
- **Risk governance**
- **Risk culture**

The following sections provide more detail on the component parts of the Group's risk management framework.

Regulatory change continues to be a key area of focus as we adapt to the constantly evolving regulatory landscape. We have integrated and embraced the Consumer Duty across all aspects of our business, ensuring that positive consumer outcomes remain central to business practices. We maintain a constructive and proactive relationship with the regulator, which has encompassed responding to information requests and participating in policy development discussions. Our risk management framework and three lines of defence model are firmly established. We continuously strive to enhance the data related to our internal control environment, aiming to provide valuable insights and support well-informed decision making.

Risk strategy

The risk strategy is aligned with the Group's high level risk appetite statement, which is:

'Representing the amount and type of risk it is prepared to take in the context of its business model and in the course of achieving its strategic objectives. The Group takes a measured and balanced approach to determining where to pursue risk in return for value, in accordance with the Group's capability and capacity to identify, report and manage risks.'

This statement recognises that for the business to grow and achieve its strategic aspirations, and deliver good outcomes for its customers, effective risk management is essential.

Risk culture

We promote a risk culture that encourages ownership of and management of risk. Risk management is the responsibility of everyone. The diagram to the right depicts our risk culture.

The second line of defence (Risk Team) takes responsibility for communicating, educating and advising on the risk management framework, developing and implementing computer-based training (CBT) for risk, and risk-focused cultural improvement initiatives.

The Risk Team carries out ongoing risk cultural improvement initiatives to improve risk awareness across the Group, such as risk workshops and risk leadership breakfast sessions.

The Chief Risk Officer (CRO) provides an annual assessment of the effectiveness of the Group's risk management framework and Risk Team to the Risk & Compliance Committee (R&CC).

Risk governance

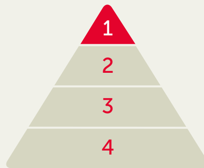
The Board is ultimately responsible for the Group's risk management framework but has delegated certain responsibilities to the R&CC, a sub-committee of the Board. The Group operates a three lines of defence approach to managing risks across the Group.

The three lines of defence model is an industry-recognised approach for providing structure to the identification and assessment of risk and testing of the control environment. The model provides a clear delineation of responsibilities for all functions to help ensure that risk management is effective and embedded across the Group. This is represented in the governance structure shown to the right.

Risk appetite

The objective of the Group's risk appetite framework is to ensure that the Board and senior management are actively engaged in agreeing and monitoring the Group's appetite for risk and setting acceptable boundaries for business activities and behaviours. The risk appetite categories are reviewed by the Risk Management Forum (RMF), Executive Risk Committee (ERC), R&CC and approved by the Board on an annual basis in line with the Internal Capital Adequacy and Risk Assessment (ICARA) and the Group Business Planning Process (BPP). Accordingly, the risk appetite is reviewed and updated in line with the Group's evolving strategy, operating model, financial capacity, business opportunities, regulatory constraints and any other internal or external factors. Key risk indicators (KRIs) are mapped to each of the risk appetite categories, with KRI tolerances aligned to risk appetite. The KRIs and tolerances are subject to an annual review process approved by ERC, R&CC and ultimately by the Board.

Risk culture



1. Tone from the top

The Board sets the tone from the top, in promoting a strong risk culture. Each Executive Committee (ExCo) member must instil a strong risk culture in their functional area and ensure that the policy is effectively and constantly applied within their area of responsibility.

2. Individual accountability

- Senior management certification regime
- Certified roles
- Consumer Duty outcomes

3. Open communication and challenge

Employees are empowered to raise risks and highlight any concerns.

4. Performance and incentives

Competent risk management must be reflected in employee objectives.

Risk governance

Board of AJ Bell plc

Risk & Compliance Committee of AJ Bell plc

Audit Committee of AJ Bell plc

Executive Risk Committee

Risk Management Forum

1st line of defence
Policies and procedures and Quality Audit (QA) function
- QA, risk identification, risk registers, risk reporting, risk forums
- AJ Bell plc policies, procedures and limits

2nd line of defence
In-house assurance function
- Risk and Compliance function

3rd line of defence
Independent assurance protections
- Internal Audit

● Principal components of AJ Bell combined assurance framework

Strategic report | Governance | Financial statements | Other information

Risk taxonomy

The risk taxonomy details the key areas of risk that the Group is exposed to. These can be grouped into five Tier 1 risk appetite categories and eighteen Tier 2 'sub-level' risk appetite categories. Each Tier 2 sub-level risk appetite category has a defined risk appetite and a risk appetite statement. These are approved by Board and form the risk appetite framework. This is represented in the diagram below.

Strategic
- Strategic
- ESG

Financial
- Capital
- Credit
- Liquidity
- Market

Operational

Operations
- Change
- Data
- Financial Control
- Information Security
- Operational Resilience
- Process
- Technology
- Third Party Management
- Investment Performance & Oversight

Conduct
- Conduct
- People

Financial Crime, Legal & Regulatory
- Financial Crime
- Legal & Regulatory

Tier 1 Tier 2

Risk identification

The Group adopts a hybrid top-down and a bottom-up approach to the identification of risks. The ExCo and the Board have identified the principal risks and uncertainties (PR&U) that could impact the ability of the Group to meet its strategic objectives. In addition, the Group maintains a 'bottom-up' enterprise risk register, containing risks mapped to the Group's Tier 2 risk appetite categories.

Risk assessment and management

All of the risks included in the Group risk register are scored according to probability and impact and assessed on an inherent basis (before the impact of controls) and on a residual basis (after the impact of controls). Where risks are classed as outside of the Group's risk appetite, a risk response must be determined, comprising either actions to bring the risk back within appetite, or the acceptance of the risk for a fixed period of time which would require approval from the Board.

Risk and control self-assessment (RCSA)

The Group's bottom-up assessment of risk is managed through the RCSA process which supports an understanding of the risks and controls in place at the operational and business process level. Through regular self-review of the risks and associated controls, and oversight and escalation of issues as necessary, the RCSA process enables the risk and control owners to identify any omissions in the risk environment and to close any control gaps or weakness as necessary. RCSAs are completed on an ongoing basis with a formal annual RCSA attestation provided by RMF and ERC members in conjunction with risk owners.

In addition, the strength of the controls is considered by the Risk and Compliance and Internal Audit teams as part of reviews they carry out under their respective assurance activities. Any discrepancies between their assessments and the risk and control owners' self-assessments are documented in the reports to ExCo members and the CRO, together with any actions recommended to improve those controls. This ensures the risk remains, or is brought back, within appetite.

Combined assurance model (CAM)

Internal Audit is responsible for ownership of the CAM.

The purpose of the CAM is to coordinate the coverage of risk and control assurance activities across the Group.

An assessment is made and documented in the CAM by the second (Risk and Compliance) and third (Internal Audit) lines of defence as to the degree of coverage and level of assurance provided by their reviews, and related work on the documented business processes and corresponding controls.

The CAM also helps inform the preparation of the respective annual Risk, Compliance and Internal Audit plans.

Risk reporting

Risk reporting is included in the Group's CRO report which is presented to ERC and R&CC. This includes details of underlying KRIs mapped to the risk appetite categories and the PR&Us; a summary of all the Group's risks and controls; breaches; risk events and emerging risks.

Similar lower-level and more granular risk reporting is produced and reviewed at the RMF and the relevant departmental risk forums.

Policy governance framework

The policy governance framework incorporates a central register of policies including approval categorisation of policies, review and standardisation of policies, policy awareness training, policy attestation and ongoing monitoring of the embedding of policies.

Internal capital adequacy and risk assessment (ICARA)

The Group conducts an ICARA process to ensure that it has appropriate systems and controls in place to identify, monitor and, where proportionate, reduce all potential material harms that may result from the ongoing operation of its business. The Group reviews material harms across the entirety of the Group's risk appetite categories, considering the important business services identified as per the Group's operational resilience framework. The ICARA process is subject to a robust governance process to ensure effective challenge relating to the Group's assessment of potential harm scenarios.

Principal risks and uncertainties

The Board is committed to a continual process of improvement and embedment of the risk management framework within the Group. This ensures that the business identifies both existing and emerging risks and continues to develop appropriate mitigation strategies through an effective internal control environment.

The Board believes that there are a number of potential risks to the Group that could hinder the successful implementation of its strategy. These risks may arise from internal and external events, acts and omissions. The Board is proactive in identifying, assessing and managing all risks facing the business, including the likelihood of each risk materialising in the short or longer term.

The principal risks and uncertainties facing the Group are detailed below, along with potential impacts and mitigating actions. The residual risk of the majority of the Group's principal risks and uncertainties has remained stable, however the residual risk has increased for ESG risk, due to increasing volumes of regulatory change, and liquidity risk, due to the increased scale and volume of orders being processed. The residual risk has decreased for people risk due to softening demand in the labour market and enhancements to recruitment processes and talent development programmes.

Residual risk direction

↗ Increased → Stable ↘ Decreased

Risk	Potential impact	Mitigations
Strategic risk		
Strategic risk The risk that the Group fails to remain competitive in its peer group, due to lack of innovative products and services, increased competitor activity, regulatory expectations, and lack of marketing focus and spend to keep pace with competitors. **Residual risk direction** →	• Loss of competitive advantage, such that AUA and customer number targets are adversely impacted. This would have a negative impact on profitability. • Reputational damage as a result of underperformance and / or regulatory scrutiny.	The Group regularly reviews its products against competitors, in relation to pricing, functionality and service, and actively seeks to make enhancements where necessary to maintain or improve its competitive position in line with the Group's strategic objectives. The Group remains closely aligned with trade and industry bodies, and other policy makers across our market. The use of ongoing competitor analysis provides insight and an opportunity to adapt strategic direction in response to market conditions.
ESG risk The risk that environmental, social and governance factors could negatively impact the Group, its customers, investors and the wider community. **Residual risk direction** ↗	• Environmental, physical and transition risks resulting from climate change, which may impact the Group and our customer's assets. • Social risks, include employee wellbeing and diversity & inclusion. • Governance risks, including the risks related to the Group's governance structures being ineffective, which could manifest in governance-related reputational and conduct risks.	We behave in a responsible manner with a focus on our four responsible business pillars: responsible propositions, responsible employer, supporting our local communities and environmental awareness. Further details of our material ESG risks and our mitigations are disclosed in our Responsible Business report on pages 28 to 45. ESG-related strategic objectives are incorporated in the Group's Business Planning Process (BPP), and a cross functional ESG Working Group is responsible for the co-ordination of day-to-day ESG-related matters and the delivery of these objectives. The Group operates a robust ESG governance framework, further details of which are included on page 29 of our Responsible Business report.

Residual risk direction

↗ Increased → Stable ↘ Decreased

Risk	Potential impact	Mitigations
Operational risk		
Legal & regulatory risk The risk that the Group fails to comply with regulatory and legal standards. **Residual risk direction** →	• Regulatory censure and / or fines, including fines from the FCA and Information Commissioner's Office (ICO). • Related negative publicity could reduce customer confidence and affect ability to generate positive net inflows. • Poor conduct could have an adverse impact on customer outcomes.	The Group maintains a strong compliance culture geared towards positive customer outcomes and regulatory compliance. The Group performs regular horizon scanning to ensure all legislative and regulatory change is detected and highlighted to the Group for consideration. The Group maintains an open dialogue with the FCA and actively engages with them on relevant proposed regulatory change. The Compliance function is responsible for ensuring all standards of the regulatory system are being met by the Group. This is achieved by implementing policies and procedures across the business, raising awareness and maintaining an effective control environment. Compliance performs a rolling programme of risk-prioritised reviews to ensure compliance standards have been embedded into the business.
Information security risk The risk of a vulnerability in the Group's infrastructure being exploited or user misuse that causes harm to service, data and / or an asset causing material business impact. **Residual risk direction** →	• Information security breaches could adversely impact individuals' data rights and freedoms and could result in fines / censure from regulators, such as the ICO and FCA. • Failure to maintain or quickly recover operations could lead to intolerable harm to customers and the Group. • The Group could suffer damage to its reputation, eroding trust and making it difficult to attract and retain customers, employees, partners, and investors.	The Group continually reviews and evolves its cyber security position to ensure that it protects the confidentiality, integrity and availability of its network and the data that it holds. A defence in depth approach is in place with firewalls, web gateway, email gateway and anti-virus amongst the technologies deployed. Staff awareness is seen as being a key component of the layered defences, with regular updates, training and mock phishing exercises. Our security readiness is subject to independent assessment by a penetration testing partner that considers both production systems and development activities. This is supplemented by running a programme of weekly vulnerability scans to identify configuration issues and assess the effectiveness of the software patching schedule. The Group regularly assesses its maturity against an acknowledged security framework, which includes an ongoing programme of staff training and assessment through mock security exercises.
Data risk Data risk is defined as the potential threats and vulnerabilities that can compromise the confidentiality, integrity, availability, and compliance of sensitive or valuable data within the Group and its third-party suppliers. This risk encompasses the possibility of unauthorised access, loss, theft, alteration, or exposure of data. **Residual risk direction** →	• A data breach could adversely impact individuals' data rights and freedoms and could result in fines / censure from regulators, such as the ICO and FCA. • A data breach could result in financial loss due to the cost of investigating the breach, notifying impacted individuals, and implementing remediation measures. • The Group could suffer damage to its reputation, eroding trust and making it difficult to attract and retain customers, employees, partners, and investors.	The Group monitors the adequacy of its data governance framework via the Data Forum. The Group has data protection policies and procedures, and security controls to protect data such as encryption, access controls and monitoring. The Group educates employees about data privacy, security and the importance of protecting sensitive data. The Group conducts regular data audits to identify and address potential security risks. The Group's Data Protection Officer / CRO provides an assessment of the adequacy of the Group's data protection framework as part of the annual DPO report.

Risk	Potential impact	Mitigations
Operational risk continued		
Financial crime risk The risk of failure to protect the Group and its customers from all aspects of fraud and financial crime, including anti-money laundering, terror financing, proliferation financing, sanctions restrictions, market abuse, fraud, cyber-crime and the facilitation of tax evasion. **Residual risk direction** →	• The Group may be adversely affected, including regulatory censure or enforcement, if we fail to mitigate the risk of being used to facilitate any form of financial crime. • Potential customer detriment as customers are at risk of losing funds or personal data, which can subject them to further loss via other organisations. • Fraudulent activity leading to identity fraud and / or loss of customer holdings to fraudulent activity. • The Group could suffer damage to its reputation, eroding trust and making it difficult to attract and retain customers, employees, partners, and investors.	Extensive controls are in place to minimise the risk of financial crime. Policies and procedures include: mandatory financial crime training in anti-money laundering and counter terrorist financing, fraud, market abuse and the Criminal Finances Act (2017) to aid the detection, prevention and reporting of financial crime. The Group has an extensive recruitment process in place to screen potential employees. The Group actively maintains defences against a broad range of likely attacks by global actors, bringing together tools from well-known providers, external consultancy and internal expertise to create multiple layers of defence. The latter includes intelligence shared through participation in regulatory, industry and national cyber security networks.
Third-party management risk The risk that a third-party provider materially fails to deliver the contracted services. **Residual risk direction** →	• Loss of service from a third-party provider could have a negative impact on customer outcomes due to website unavailability, delays in receiving and / or processing customer transactions or interruptions to settlement and reconciliation processes. • Financial impact through increased operational losses. • Regulatory fine and / or censure.	To mitigate the risk posed by third-party suppliers, the Group conducts onboarding due diligence and monitors performance against documented service standards to ensure their continued commitment to service, financial stability and viability. Performance metrics are discussed monthly with documented actions for any identified improvements. This is supplemented by attendance at formal user groups with other clients of the key suppliers, sharing experience and leveraging the strength of the user base. Where relevant and appropriate, annual financial due diligence on critical suppliers and on-site audits are also undertaken.
Technology risk The risk that the design, implementation and management of applications, infrastructure and services fail to meet current and future business requirements. **Residual risk direction** →	• The reliance on evolving technology remains crucial to the Group's effort to develop its services and enhance products. Prolonged underinvestment in technology will affect our ability to serve our customers and meet their needs. • Failing to deliver and manage a fit-for-purpose technology platform could have an adverse impact on customer outcomes and affect our ability to attract new customers. • Technology failures may lead to financial or regulatory penalties, and reputational damage.	The Group continues to implement a programme of increasing annual investment in the technology platform. This is informed by recommendations that result from regular architectural reviews of applications and of the underpinning infrastructure and services. Daily monitoring routines provide oversight of performance and capacity, which supports our operational resilience risk management activities. Our rolling programme of both business continuity planning and testing, and single point of failure management, maintains our focus on the resilience of key systems in the event of an interruption to service.

Residual risk direction

↗ Increased → Stable ↘ Decreased

Risk	Potential impact	Mitigations
Operational risk continued		
Operational resilience risk The risk that the Group does not have an adequate operational resilience framework to prevent, adapt, respond to, recover and learn from operational disruptions. **Residual risk direction** →	• Failure to maintain or quickly recover operations could lead to intolerable harm to customers and the Group. • Operational resilience disruptions may lead to financial or regulatory penalties, and reputational damage.	The Group has developed a comprehensive operational resilience framework, under the direction of the Operations sub-committee of ExCo. The R&CC and Board also provide oversight. An annual operational resilience self-assessment document is reviewed by the Board and R&CC. The Group's Risk Team provides a second line of defence review of the operational resilience self-assessment. During FY24, a successful group-wide disaster recovery exercise was carried out, allowing the business to operate for a week on a cloud-based disaster recovery platform.
Process risk The risk that, due to unexpectedly high volumes, the Group is unable to process work within agreed service levels and / or to an acceptable quality for a sustained period. **Residual risk direction** →	• A decline in the quality of work will have a financial impact through increased operational losses. • Unexpectedly high volumes coupled with staff recruitment and retention issues could lead to poor customer outcomes and reputational damage.	There is an ongoing programme to train staff on multiple operational functions. Diversifying the workforce enables the business to deploy staff when high work volumes are experienced. Causes of increased volumes of work, for example competitor behaviour, are closely monitored in order to plan resources effectively. The Group focuses on increasing the effectiveness of its operational procedures and, through its business improvement function, aims to improve and automate more of its processes. This reduces the need for manual intervention and the potential for errors.
Change risk The risk of potential negative consequences and uncertainties associated with introducing modifications, alterations, or adjustments to established processes or systems. **Residual risk direction** →	• Operational resilience disruptions resulting from crystallisation of change risk may lead to financial or regulatory penalties, and reputational damage. • Change can increase costs if not delivered within budget or introduce complexity to end users due to a lack of compatibility with existing systems. • Reduced quality because of a change can lead to customer dissatisfaction, rework, and additional costs. • An inability to deliver change can result in reputational damage to the Group, making it difficult to attract customers and talent.	All operational and regulatory change is prioritised, captured, and monitored through the Operations sub-committee of ExCo. Technical change is prioritised, captured, and monitored within Technology Services and through associated Committees. Product Change is managed within the Product areas and overseen by the corresponding Proposition Committee.
Financial control environment risk The risk that the financial control environment is weak. This includes the risk of loss to the business, or its customers, because of either the actions of an associated third-party or the misconduct of an employee. **Residual risk direction** →	• Reputational damage with regulators, leading to increased capital requirement. • Potential customer detriment resulting from inadequate protection of customer assets. • Increased expenditure in order to compensate customers for loss incurred.	The Group's financial control and fraud prevention policies and procedures are designed to ensure that the risk of fraudulent access to customer or corporate accounts is minimised. Anti-fraud training is provided to all members of staff who act as first line of defence to facilitate early detection of potentially fraudulent activity. Strong technology controls are in place to identify potential money laundering activity or market abuse.

Risk	Potential impact	Mitigations
Operational risk continued		
Conduct (consumer outcomes) risk The risk that the fair treatment of customers is not central to the Group's corporate culture. **Residual risk direction** →	• Poor conduct could have an adverse impact on customer outcomes. • Reputational damage resulting from poor levels of customer service. • The Group may be adversely affected, including regulatory censure or enforcement.	Delivering good customer outcomes is core to our purpose, business model, strategy and guiding principles. This drives the culture and objectives of the business and ensures customers remain at the heart of everything we do. The Group enhanced its conduct controls to align with the requirements of the Consumer Duty. These include training and education, product governance, and ongoing monitoring arrangements, and provide the ExCo and Board assurance on the delivery of good customer outcomes.
People risk The risk that the Group fails to attract, retain, develop and engage employees who are aligned to the Group's Guiding Principles. **Residual risk direction** ↘	• Difficulties in recruiting the right, culturally aligned, people to work for the Group. • Existing employees who are not motivated, do not perform well and may impact the quality and effectiveness of the services provided to the Group's customers. • Talented employees who are not appropriately developed and / or have limited opportunities to progress are likely to leave the Group. • Resource shortfalls may impact quality and service and could lead to poor service / consumer outcomes and reputational damage.	The Group has improved its recruitment processes to attract the best people possible to join the Group. The AJ Bell Way and Guiding Principles are embedded into our culture through people policies, procedures, and training. The Group undertakes a staff engagement survey at least annually and uses this feedback to address any areas for improvement to ensure staff engagement remains high. The Group conducts regular reviews of its employee remuneration packages to ensure it is competitive. The Group operates talent development programmes for management and leadership roles.
Investment performance and oversight risk The risk the Group fails to make effective decisions in relation to its discretionary investment activities and maintain strong governance processes. **Residual risk direction** →	• Outflows or loss of assets under management as a result of poor or unexpected performance, which would reduce investment management revenues. • Potential customer detriment, such as the loss of investment value or inaccessibility of assets due to poor liquidity. • Reputational damage resulting from inadequate oversight or governance arrangements.	The Group maintains robust Investment Governance arrangements in relation to the investment activities associated with AJ Bell Asset Management's products and services. The performance of these products and services is monitored on an ongoing basis for alignment with customer expectations and investment mandates, including through dedicated forums and by the second line of defence Risk Team. A dedicated Investment Committee which is a sub-committee of ExCo, includes two independent committee members and provides oversight of investment management activities.

Residual risk direction

↗ Increased → Stable ↘ Decreased

Risk	Potential impact	Mitigations
Financial risk		
Market risk The risk that a significant and prolonged capital market or economic downturn has an adverse effect on customer confidence, asset values and interest rates. **Residual risk direction** →	• Adverse effect on customer transactional activity or ad valorem fees generated from assets under administration from which the Group derives revenue. Sensitivities for interest rate and market movements are shown in note 25 to the consolidated financial statements.	The Group's products are targeted at UK residents. We do not do business in any other countries and have relatively few customers outside the UK. Therefore, in the event that the economy falls into a prolonged recession, this may impact contribution levels and confidence generally in the savings and investment markets. The Directors believe that the Group's overall income levels and in particular the balance between the different types of assets and transactions from which that income is derived, provide a robust defensive position against a sustained economic downturn. Revenue from retained interest income is derived from the pooling of customer cash balances. The Group has a variety of transactional and recurring revenue streams, some of which are monetary amounts while others are ad valorem. This mix of revenue types helps to limit the Group's exposure to interest rate fluctuations and capital market fluctuations.
Capital risk The risk that the Group does not maintain sufficient capital resources to cover unexpected losses. **Residual risk direction** →	• Inability to cover unexpected losses. • Additional regulatory scrutiny and potential for increased regulatory capital resource requirements.	The Group adopts a cautious and controlled approach to managing its capital risk. The Group conducts an Internal Capital and Risk Assessment (ICARA) process aligned with its risk management framework to identify, monitor and mitigate potential harms. Where harms can not be mitigated, the Group holds capital to cover potential unexpected losses (its capital resource requirement). The Group's capital risk appetite is to maintain its capital resources at greater than 125% of the Group's capital resource requirement.
Credit risk The risk of potential failure of clients, market counterparties or banks used by the Group to fulfil contractual obligations. **Residual risk direction** →	• Unintended market exposure. • Customer detriment.	The Group's credit risk extends principally to its financial assets: cash balances held with banks and trade and other receivables. The Group carries out initial and ongoing due diligence on the market counterparties and banks that it uses, and regularly monitors the level of exposure. The Group continues to diversify across a range of approved banking counterparties, reducing the concentration of credit risk as exposure is spread over a larger number of counterparties. The banks currently used by the Group are detailed in note 25 to the consolidated financial statements. With regard to trade receivables, the Group has implemented procedures that require appropriate credit or alternative checks on potential customers before business is undertaken. This has minimised credit risk in this area. The Group will maintain its existing strategy of diversification to ensure acceptable exposure across a wide range of well-capitalised banks with appropriate credit ratings. It will continue to regularly monitor its level of exposure and to assess the financial strength of its banking counterparties.
Liquidity risk The risk that the Group suffers significant settlement default or otherwise suffers major liquidity problems or issues of liquidity deficiency which severely impact the Group's reputation in the markets. The risk that the Group does not have available readily realisable financial resources to enable it to meet its obligations as they fall due or can only secure such resources at excessive cost. **Residual risk direction** ↗	• Reputational damage. • Potential customer detriment. • Financial loss. • Inability to meet obligations as they fall due.	The Group has robust systems and controls and monitors all legal entities to ensure they have sufficient funds to meet their liabilities as they fall due. The Group continues to monitor trade settlement on both an intra-day and daily basis, and we continue to assess opportunities to strengthen our internal control environment. The Group continues to be a highly cash-generative business and to maintain sufficient cash and standby banking facilities to fund its foreseeable trading requirements.

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code 2018, the Board has assessed the viability of the Group, considering a four-year period to September 2028. The Board considers a four-year horizon to be an appropriate period to assess the Group's strategy and its capital requirements, considering the investment needs of the business and the potential risks that could impact the Group's ability to meet its strategic objectives.

This assessment has been made by considering the Group's financial position and regulatory capital and liquidity requirements in the context of its business model, strategy and four-year financial forecasts and in consideration of the principal risks and uncertainties, as detailed in the Strategic report on pages 61 to 66. The principal risks and uncertainties are those that may adversely impact the Group based on its business model and strategy and are derived from both the Group's business activities and the wider macroeconomic environment in which the Group operates but does not control.

As an FCA-regulated entity, as part of its Internal Capital and Risk Assessment (ICARA) the Group is required to use stress testing of the business model and strategy to identify whether it holds sufficient own funds and liquid assets. Forward-looking hypothetical stress testing scenarios have been determined by considering potential macroeconomic and idiosyncratic events that would have a significant adverse impact on the Group's ability to generate profits, and therefore maintain the existing levels of own funds and liquid assets, over the business planning period.

The Board-approved four-year financial forecast assumes the business continues to grow customer numbers and AUA through investment in our brand, product propositions, technology and people. The financial forecasts assume that the Bank of England base interest rate will continue to gradually fall throughout the forecast period, in line with market projections. There are no significant market movements in underlying asset values based on the position at the point the projections were approved by the Board.

The Board has considered the potential impact of three stress test scenarios, which cumulatively represent a severe, remote but plausible scenario:

1) **Macroeconomic (Market risk)** – a significant reduction in equity market values, based on the 2008–09 global financial crisis. Asset values fall by 40% in year one, recovering to 20% below the level they were prior to the fall in year two, and remain flat in years three and four.
2) **Macroeconomic (Market risk)** – Bank of England base interest rate reduced to 0.50% over a 15-month period leading to a lower interest rate retained on customer cash balances.
3) **Idiosyncratic (Technology risk, Third-party management risk)** – prolonged IT issues with key operating software suppliers cause significant damage to AJ Bell's service and reputation, which results in a reduction in customers. Following year one the Group incurs development and licence costs to upgrade or replace key components of the platform software, with service levels and net inflows returning to normal in year three.

The Board has identified a number of potential management actions that could be taken in the event the modelled scenarios crystallise. The action selected would be dependent upon the nature of the scenario.

The results have confirmed that the Group would be able to withstand the adverse financial impact of these three scenarios occurring simultaneously over the four-year assessment period. This assumes that dividends and share buybacks are paid in line with the recommendation made in the 30 September 2024 annual report and with the Group capital allocation framework on a forward-looking basis. During the period, the Group continues to retain surplus financial resources over and above its regulatory capital and liquidity requirements, with or without any management remediation actions.

The Group's strategy and four-year financial forecasts were approved by the Board in September 2024. The Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period ending September 2028.

The Strategic report was approved by the Board of Directors and signed on its behalf by:

Michael Summersgill
Chief Executive Officer
4 December 2024

Questions → Answered

We recognise there are points in the investment journey where customers and advisers seek a human touchpoint to support them with a query or transaction. Our **market-leading Customer Service Team** is just a phone call away to help support our customers and advisers with any questions they may have. Our knowledgeable, experienced and dedicated teams are a key driver behind our high customer retention and referral rates.

> "I had the pleasure of working with AJ Bell to set up a SIPP, and I couldn't be more impressed with the service they provided. They were exceptionally knowledgeable, guiding me through the entire process with ease and clarity. They went above and beyond to make sure I felt confident and comfortable with the decisions I was making. I highly recommend AJ Bell for their professionalism and dedication to providing top-notch service."

Ruth Cockburn
AJ Bell customer

Trustpilot

"We continue to build our corporate governance structure to guide, support and constructively challenge the Executive Management Team on the development and delivery of the strategy and change programmes."

Fiona Clutterbuck
Chair

Dear shareholder

I am pleased to present the Governance report for the financial year ended 30 September 2024.

This year has been another busy year for the Board. We remain committed to maintaining high standards of corporate governance and a robust framework for the control and management of AJ Bell in the best long-term interests of all its stakeholders.

Below are some of the key highlights of this year. Further details of how we have discharged our corporate governance responsibilities are set out later in this report.

Board activities

The key items on the Board agenda this year have included: oversight of the implementation of Consumer Duty and approval of the first Consumer Duty annual assessment; consideration of the recommendations resulting from the external board effectiveness review; modernisation of the dividend policy and capital allocation framework; and evaluating the composition and succession plan for the Board and its sub-committees. We hold two strategy days each year with the ExCo to discuss in depth the longer-term business strategy and our three-year business plan and its alignment with our change programmes and strategic priorities.

More information on our Board's activities and key decisions can be found on **page 77**.

Board and Executive Committee changes

At the end of 2023, we were pleased to announce the appointment of Fiona Fry as a Non-Executive Director with effect from 7 December 2023. Fiona brings to the Board a wealth of financial services and regulatory experience. She assumed the role of Chair of the Risk & Compliance Committee on 31 March 2024 to succeed Simon Turner, who completed nine years' service, and retired from the Board on this date.

We also welcomed Julie Chakraverty as a Non-Executive Director on 1 June 2024. Julie has a wealth of experience in the financial services, consumer and cyber sectors that will be invaluable to the Board as we continue to focus on our strategic priorities. Following these changes, the Nomination Committee considered the composition of each of the Board Committees and as a result a number of changes were made with effect from 11 July 2024.

In September, we announced that Roger Stott, Chief Operating Officer (COO) will be retiring and stepping down from the Board as an Executive Director on 31 December 2024. Roger joined AJ Bell in 2008 and was appointed to the Board as COO in August 2021. During his time with the Company, Roger has played a significant role in the success of the business. We wish to thank him for his outstanding contribution to the Board and the Company over many years and wish him well for the future.

The Chief Financial Officer (CFO), Peter Birch, and Chief Technology Officer, Mo Tagari, will assume the FCA Senior Manager Function responsibilities of the Chief Operations Function (SMF 24) subject to regulatory approval. Peter continues to serve on the Board as an Executive Director having been appointed as CFO in 2022.

At executive level, we are pleased to report the internal promotion of Charlie Musson to the role of Managing Director, D2C and as a member of the ExCo with effect from 22 May 2024. Charlie, who had been with us for eight years as PR Director and more recently Acting Managing Director, D2C, has extensive knowledge of our business and the industry and has been a member of the ExCo for a number of months in his role as Acting Managing Director, D2C. We are also pleased to report that following a competitive selection process, Ryan Hughes was appointed to the position of Managing Director, AJ Bell Investments and as a member of the ExCo with effect from 10 October 2024. Ryan, who joined the business in 2016, has been serving in this role on an interim basis since late 2023.

Further details of changes in the year are set out in the Nomination Committee report on **pages 84 to 87**.

Board effectiveness review

This year, we undertook an externally facilitated review of the effectiveness of the Board and its Committees. The review confirmed that the Board and its Committees are operating effectively. The Board adopted the recommendations from the findings and has developed a plan to implement the actions.

Further details on the review process and recommendations to the Board can be found on **pages 80 to 82**.

Inclusion and diversity

The Board is committed to a diverse workforce and continues to focus on increasing diversity on our Board and at all levels across the Company. We recognise the significant benefits that come with having a diverse Board and I am pleased to report that we have exceeded the FTSE Women Leaders and the FCA Listing Rules requirement on gender diversity. We have met the ethnic diversity requirement of the FCA Listing Rules and the Parker Review. We believe, however, that diversity needs to look much wider than gender and ethnicity to include variations in experience, skills, cognitive thinking and background whilst all Board appointments are made on merit.

Engagement with our stakeholders

We proactively engage with, and listen to, our stakeholders to understand what is important to them. By understanding our stakeholders, we can factor into boardroom discussion the potential impact of our decisions and consider their needs and interests. Further details on how we have engaged with our stakeholders are set out in our Strategic report on pages 24 and 25 and the Responsible Business report on pages 28 to 45. Our Section 172 statement, which sets out some examples of how the Board has considered the interests of our key stakeholders whilst making key decisions, can be found on pages 26 and 27.

The Annual General Meeting

Our next Annual General Meeting (AGM) will be held at the Company's offices, 4 Exchange Quay, Salford Quays, Manchester, M3 5EE on 29 January 2025. Together with my fellow Directors, I look forward to meeting shareholders, and we welcome your feedback and questions on that occasion and, indeed, at any stage during the year.

The year ahead

The Board is responsible for setting and maintaining high standards of corporate governance. We have an established and effective governance framework and we will continue to embrace the best governance practices to enable us to deliver great value products and outstanding service to our customers and their advisers for the benefit of our wider stakeholders.

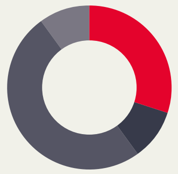
Fiona Clutterbuck
Chair
4 December 2024

Board tenure

Fiona Clutterbuck	1 year
Michael Summersgill	13 years
Peter Birch	2 years
Roger Stott	3 years
Evelyn Bourke	3 years
Eamonn Flanagan	6 years
Margaret Hassall	3 years
Fiona Fry	Less than 1 year
Julie Chakraverty	Less than 1 year
Les Platts[1]	1 year

1. Les Platts previously served on the Board as a Non-Executive Director from 2008 to 2014 and then as Chair from 2014 to 2022.

Board composition

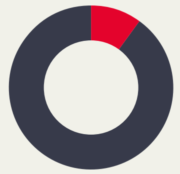


Executive Directors	30%
Chair	10%
Independent Non-Executive Directors	50%
Non-Independent Non-Executive Director	10%

Board gender

Men	50%
Women	50%

Board ethnicity



Ethnic minority	10%
White	90%

Meeting attendance

	Board	Audit Committee	Risk & Compliance Committee	Remuneration Committee	Nomination Committee
Fiona Clutterbuck	10/10	–	5/5	4/4	6/6
Evelyn Bourke[1]	10/10	5/5	4/4	1/1	6/6
Eamonn Flanagan[2]	10/10	5/5	–	3/4	5/6
Margaret Hassall[3]	10/10	4/4	1/1	5/5	6/6
Fiona Fry[4]	6/7	1/1	4/4	2/3	–
Julie Chakraverty[5]	3/4	1/1	1/1	1/1	–
Les Platts	10/10	–	–	–	–
Simon Turner[6]	4/4	–	2/2	1/1	–
Michael Summersgill	10/10	–	–	–	–
Peter Birch	10/10	–	–	–	–
Roger Stott	10/10	–	–	–	–

1. Evelyn Bourke stepped down from the Risk & Compliance Committee and was appointed as a member of the Remuneration Committee on 11 July 2024.
2. Eamonn Flanagan stepped down from the Remuneration Committee on 11 July 2024 and apologies were received for Remuneration Committee and Nomination Committee ad hoc meetings on 22 May arranged at short notice.
3. Margaret Hassall stepped down from the Audit Committee and was appointed as a member of the Risk & Compliance Committee on 11 July 2024.
4. Fiona Fry was appointed to the Board and as a member of the Risk & Compliance Committee on 7 December 2023. She assumed her role as Chair of the Risk & Compliance Committee on 31 March 2024 and as a member of the Remuneration Committee and Audit Committee on 22 May 2024 and 11 July 2024 respectively. Apologies were received for the 30 January 2024 Board meeting due to commitments prior to appointment. She was unable to attend a Remuneration Committee meeting that was arranged at short notice.
5. Julie Chakraverty was appointed to the Board on 1 June 2024 and was appointed as a member of the Audit Committee, Risk & Compliance Committee and Remuneration Committee on 11 July 2024. Apologies were received for an ad hoc Board meeting arranged at short notice.
6. Simon Turner stepped down from the Board, Risk & Compliance Committee and Remuneration Committee on 31 March 2024.

Fiona Clutterbuck
Chair

Appointed: May 2023

Skills and expertise:
Fiona brings to the Board extensive experience in corporate governance, corporate finance and an understanding of good customer outcomes. Fiona qualified as a barrister and gained a wealth of knowledge in strategy, corporate finance, and investments during her roles as Head of Strategy, Corporate Development and Communications at Phoenix Group plc, and Managing Director at ABN AMRO Investment Bank plc, HSBC Investment Bank plc and Hill Samuel. Fiona was previously the Chair of Paragon Banking Group plc, Interim Chair and Senior Independent Director at M&G plc and Non-Executive Director of Hargreaves Lansdown plc, W.S Atkins and Sampo plc.

Current key external appointments:
Non-Executive Director and Chair of the Remuneration Committee at The Co-Operative Bank plc, Non-Executive Director at The Co-Operative Bank Finance plc and The Co-Operative Bank Holdings plc.

Michael Summersgill
Chief Executive Officer

Appointed to current role: October 2022

Appointed to Board: May 2011

Skills and expertise:
Michael joined AJ Bell in 2007 and was appointed as CFO in 2011. His role gradually broadened as he assumed responsibility for the operational functions of the Group. During his time as CFO, Michael led a number of key change initiatives, helping to develop AJ Bell into one of the UK's leading investment platform businesses. Michael became Deputy CEO in 2021, a role in which he focused on developing the strategy and organisational structure of the Group, before being appointed as CEO in October 2022. Michael brings to the Board clear strategic leadership and has a thorough understanding of AJ Bell's business model and market.

Peter Birch
Chief Financial Officer

Appointed: July 2022

Skills and expertise:
Peter is a qualified chartered accountant and brings to the Board financial expertise and commercial strength. As CFO, he has responsibility for the financial management of the business and for leading engagement with the Group's key shareholders. Prior to joining AJ Bell, Peter was a Financial Services Audit and Assurance Partner at Deloitte LLP ('Deloitte') and was the lead audit partner for several large listed financial services organisations. He also led Deloitte's financial services audit and assurance practice in the UK regions from 2017 to 2021.

- (N) Nomination Committee
- (A) Audit Committee
- (D) Disclosure Committee
- (R) Remuneration Committee
- (C) Risk & Compliance Committee
- ● Committee Chair

Margaret Hassall
Non-Executive Director

Appointed: September 2021

Skills and expertise:
Margaret brings to the Board expertise in finance, risk, and strategy from her successful career in financial and professional services. Having spent seven years as a consultant for Deloitte and leading the financial services consulting business for Charteris, Margaret brings commercial strength and experience in leading transformational change. Margaret gained significant financial services insight during her roles as Chief Operations Officer and Chief Information Officer for divisions within some of the World's largest banks, including Bank of America, and Royal Bank of Scotland. She is a former Non-Executive Director of OneSavings Bank plc and Nucleus Financial Group plc.

Current key external appointments:
Non-Executive Director at Kier Group plc and Chair of the Remuneration Committee.

Fiona Fry
Non-Executive Director

Appointed: December 2023

Skills and expertise:
Fiona is a qualified chartered accountant and highly experienced risk professional and brings to the Board a deep knowledge of the UK regulatory landscape for financial services. Fiona spent most of her executive career at KPMG where, as partner, she focused on consumer and conduct issues, including governance, risk management and culture, primarily in the financial sector. Fiona also held the role of Head of Investigations at the Investment Management Regulatory Organisation and Financial Services Authority. During the financial year Fiona also acted as Board Advisor for Revolut Limited.

Current key external appointments:
Non-Executive Director and Chair of the Board Risk Committee at Aviva Insurance Limited, Non-Executive Director and Consumer Duty Champion at Revolut NewCo UK Ltd.

Roger Stott
Chief Operating Officer

Appointed to current role: October 2021

Skills and expertise:
Roger is a qualified chartered accountant with extensive experience within the financial services sector having held a number of senior in-house finance roles and specialising in retail stockbroking for over 20 years with a number of firms. Roger joined AJ Bell in July 2008 and has since held a wide range of roles, including Group Finance Director and Chief Risk Officer, before being appointed as Chief Operating Officer in October 2021, a role which includes responsibility for Customer Services, Operations and the delivery of related key projects. Roger brings in-depth knowledge of the financial and operational activities of the business and its risk management and related governance practices.

Evelyn Bourke
Non-Executive Director and Senior Independent Director

Appointed: July 2021

Skills and expertise:
Evelyn qualified as an actuary and has an MBA from London Business School. She brings to the Board extensive experience in finance, strategy and general management having held a number of CEO and CFO roles during her executive career. Whilst CEO and CFO at Bupa Group, she oversaw transformative change including acquisitions and disposals. Evelyn previously served as a Non-Executive Director of the Children's Mutual and IFG Group plc. Her previous experiences as CFO at Standard Life Assurance and Friends Life, and on the Board of IFG Group plc, provided her with significant understanding of platform services, pensions administration and financial advice.

Current key external appointments:
Non-Executive Director at Marks and Spencer Group plc and Chair of Audit and Risk Committee, Non-Executive Director at Bank of Ireland Group plc, Non-Executive Director at Admiral Group plc, Chair at Genesis Care UK and Non-Executive Director at Genesis Care Cayman Holdings Limited.

Eamonn Flanagan
Non-Executive Director

Appointed: March 2018

Skills and expertise:
Eamonn is a qualified actuary with significant experience analysing business and financial models of companies across financial services. He brings a wealth of expertise in responding to regulation, market conditions and developing strategic focus whilst delivering strong customer outcomes. Eamonn was the Director and Head of European Insurance at ING Barings before co-founding an investment bank, Shore Capital Markets Limited, where he was appointed as Director. Eamonn was previously a Non-Executive Director, Chair of the Investment Committee and Chair of the Remuneration, Nominations and Governance Committee at R&Q Insurance Holdings Ltd.

Current key external appointments:
Non-Executive Director at Chesnara plc and Chair of the Remuneration Committee, Chair at Movestic Livforsakring AB.

Julie Chakraverty
Non-Executive Director

Appointed: June 2024

Skills and expertise:
Julie brings to the Board extensive experience in finance, entrepreneurship and innovation having served on the boards of listed financial services companies, whilst successfully founding Rungway Limited, an employee engagement and mentoring platform. During her executive career, Julie worked in derivatives at JP Morgan Chase and held several global leadership positions at UBS Investment Bank, where she led the development of a technology product that won industry awards for innovation. Julie has served as a Non-Executive Director at Santander UK plc, Aberdeen Asset Management and Standard Life Aberdeen plc (now abrdn plc), Amlin plc (now Mitsui Amlin) and Spirit Pub Company plc (now Greene King).

Current key external appointments:
Non-Executive Director and Senior Independent Director at NCC Group plc, Non-Executive Director, Chair of the Ethics and Sustainability Committee, and Consumer Duty Champion at Starling Bank Limited.

Les Platts
Non-independent Non-Executive Director

Appointed: July 2023

Skills and expertise:
Les qualified as a chartered accountant and has expertise in financial, governance and risk matters, having advised FTSE 100 and FTSE 250 clients during his executive career. Les has a vast understanding of the operations and business model of the Group having been appointed to AJ Bell as Non-Executive Director in 2008 and Chair from 2014 until 2022. In July 2023, Les was appointed to the Board as Representative Director of AJ Bell for Andy Bell, former CEO, co-founder of the Company and, together with his connected persons, the Company's largest shareholder. During his 33-year career at Deloitte LLP, Les held a wide range of roles including audit partner, North-East senior partner and UK board member. Les is a former director and Vice Chair of Leeds Building Society and the former Honorary Treasurer of Lancashire County Cricket Club.

Board changes during the financial year

With effect from 31 March 2024, Simon Turner stepped down from the Board having served as a Non-Executive Director since July 2014. During the year, Fiona Fry and Julie Chakraverty joined the Board as Non-Executive Directors with effect from 7 December 2023 and 1 June 2024, respectively.

The skills and expertise of the Board

The demographics of the members of a board have a significant impact on its effectiveness, therefore an appropriate balance of skills and expertise must be maintained. The breadth of skills and expertise on the Board includes key areas such as listed environments, financial services, finance and accountancy, financial services regulation, retail stock broking, global banking, risk management, and technology.

UK Corporate Governance Code – Compliance Statement

AJ Bell continues to be committed to high standards of corporate governance and adopts the UK Corporate Governance Code 2018 (the "Code"). The Code is available on the Financial Reporting Council website at **frc.org.uk**.

The table below sets out the details of the principles of the Code and references where to read how AJ Bell has fully complied with them during the financial period ending 30 September 2024.

Section		Code Principles	Where to read about how AJ Bell has complied
1 Board leadership and Company purpose	A	An effective board promoting long-term success for the company and contributing to society	Pages 75 to 77
	B	Purpose, values, strategy and culture	Pages 75 to 77
	C	Performance measures, risk and controls framework	Pages 75 to 77
	D	Stakeholder engagement	Pages 75 to 77
	E	Wider workforce policies and practices	Pages 75 to 77
2 Division of responsibilities	F	Leadership of the Board and Board operations	Pages 78 to 80
	G	Board composition, roles and independence	Pages 78 to 80
	H	Directors' responsibilities and time commitment	Pages 78 to 80
	I	Board support, information and advice	Pages 78 to 80
3 Composition, succession and evaluation	J	Board appointments, succession planning and diversity consideration including senior management	Pages 80 to 82
	K	Board skills, knowledge and experience	Pages 80 to 82
	L	Annual Board effectiveness review	Pages 80 to 82
4 Audit, risk and internal control	M	Independence and effectiveness of internal and external audit functions	Page 83
	N	Fair, balanced and understandable assessment of company's position and prospects	Page 83
	O	Risk Management and Internal Control Framework	Page 83
5 Remuneration	P	Remuneration alignment to strategy, company purpose and values	Page 83
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1 Board leadership and Company purpose

The role of the Board

The Board is responsible for providing effective leadership to the Group and promoting AJ Bell's long-term sustainable success to generate shareholder value within a strong governance framework. It does this by setting strategic priorities and overseeing their delivery in a way that enables sustainable growth, while maintaining a balanced approach to risk within a framework of effective controls. The Board is also responsible for ensuring the maintenance of a robust system of internal controls and risk management and for reviewing the effectiveness of the systems in place. The Board has overall authority for the management of the business, strategy and development. Details of AJ Bell's purpose, strategy and delivery of long-term value can be found in the Strategic report.

Collectively, the Board is responsible to stakeholders for protecting their interests and contributing to wider society. The Board reviews strategy annually during a dedicated business planning process with a view to promoting the long-term success of the Group, during which the Board considers the impact of business decisions on stakeholders such as our shareholders, people, customers and advisers, suppliers, regulators and wider society as a whole.

The powers of the Board are set out in the Company's articles of association and there are certain powers and financial limits sitting alongside those powers, which are reserved to the Board because their exercise is considered to be of overriding importance and significance to the Group. The matters reserved to the Board are set out on the website at **ajbell.co.uk**. The day-to-day running of the business is delegated to the Chief Executive Officer, who derives authority from the Board and cascades the agreed standards to the business. Although a wide range of the powers and authorities of the Board are delegated to the Chief Executive Officer, the Board retains ultimate responsibility and authority for their exercise. Each member of the Board acts in a way which they consider to be in the best long-term interests of the Group and in compliance with their duties under the Companies Act 2006.

The Board oversees the setting of objectives for the members of the ExCo which are aligned with the Group's high-level strategy and long-term vision and monitors progress with their delivery at Board meetings during the course of the year.

Culture

The Group's culture is shaped and driven by the purpose, guiding principles and strategy of the business. The Board assesses and monitors culture via the culture dashboard which enables the benchmarking and recording of core characteristics of culture, such as the monitoring of Consumer Duty, impact of hybrid working and changes to employer advocacy scores. The culture dashboard and HR updates are presented to the Board annually and bi-annually, respectively. Key themes during the year focused on improvements to talent management, diversity and inclusion, workforce engagement, the hybrid working policy, employer brand and culture. This year the Group has utilised the Great Place to Work Survey to provide our people with the opportunity to provide feedback on their working experience, leadership and culture.

Whistleblowing

AJ Bell has arrangements in place to ensure that our people can raise suspicions of wrongdoing observed in the course of their work and that any disclosures are taken seriously. Our whistleblowing framework ensures that our people can confidentially or anonymously raise concerns. Any whistleblowing investigation is handled independently and follows a strict process to prevent victimisation and allow safeguards to protect whistleblowers from retaliation or being otherwise disadvantaged. This promotes a strong culture with our customers, people, and shareholders.

Until 31 March 2024, the Board had delegated responsibility for the oversight of whistleblowing to the Risk & Compliance Committee. Details of the related oversight arrangements are set out in the Risk & Compliance Committee's report on page 96. The Board has since delegated responsibility for the oversight of whistleblowing to the Audit Committee and the Chair of the Committee, Eamonn Flanagan, has been appointed as Whistleblowing Champion. The Audit Committee monitors the operation of the whistleblowing arrangements, with the ability to escalate matters to the Board if considered necessary.

Stakeholder relations

Our business strategy document, which is reviewed by the Board each year as part of the annual business planning process, identifies our key stakeholders with whom the business endeavours to engage, so that the Board is aware of their views and can take them into account as part of its decision-making processes.

The Board recognises the importance and benefits of engaging with shareholders and other stakeholders and has a strong history of doing so. Our key stakeholders and the principal engagement activities undertaken by, or on behalf of, the Board during the year, are set out within the Strategic report on pages 24 and 25.

Engagement with the workforce

The Board has continued to engage with the workforce via the Employee Voice Forum, which comprises representatives from across the business. Topics discussed during the year included AI, how to improve hybrid working practices and workforce retention. Additionally, to gain insight into the operations and culture of the business, the Board engaged with the workforce by attending knowledge sharing and networking events, our annual managers' day, lunchtime and breakfast briefings with other members of our senior management team and other workforce social events.

Relations with shareholders

The Board is committed to proactive and constructive engagement with the Company's investors and is keen to ensure that the views of shareholders are understood. The Board welcomed shareholders in person to the 2024 AGM, which provided the Board with an opportunity to communicate directly with, and answer questions from, AJ Bell's shareholders. The Chair of the Remuneration Committee, Margaret Hassall, also consulted with shareholders on proposed changes to our Remuneration Policy.

In addition to announcing regular trading updates to the market, the Company has a comprehensive investor relations programme which is focused on ensuring that the market, including sell-side analysts, investors and proxy voting advisers, understand the Company's investment case, strategy and performance.

The CEO and CFO, supported by the Investor Relations Director, met with analysts and investors throughout the year, both in person and virtually, and presentations and recorded videos were made available via our website following the publication of the Company's interim and full year results. The Chair and other Non-Executive Directors were also available to meet with shareholders as required.

Feedback is sought directly from analysts and investors after all meetings. This feedback is shared with the Board on a regular basis and is supplemented by updates from AJ Bell's corporate brokers. This provides the Board with insights into current market perceptions of the business and wider platform market, share price performance, recent trading activity and changes to the shareholder register.

An overview of our investor relations programme is detailed to the right. As noted above, in addition to the formal investor relations programme, the management team engages with analysts and investors throughout the course of the year.

The Company's website has a dedicated investor relations section which includes details of AJ Bell's investment case, along with the Annual Report and Accounts, historical financial reports and presentations, regulatory announcements, financial calendar, analyst consensus and other important shareholder information.

Conflicts of interest

The Company Secretary maintains a Register of Director's Interests which records the external directorships and shareholdings of each Board member which could give rise to a potential or actual conflict of interest. Potential conflicts of interests are disclosed on appointment and on an ongoing basis via notification to the Company Secretary and conflicts of interest are a standing agenda item at each Board and Committee meeting. Given the potential conflicts of interest as a result of the Representative Director being a nominee of a major shareholder, the Relationship Agreement between the Company and Andy Bell makes provision for the management of any conflicts which may arise.

The Board has considered the current external appointments of all Directors which may give rise to a conflict. In any matter where a Director's interest does present an actual conflict, the Director shall recuse themselves from any such discussion, and will not vote or be counted in the quorum, when that matter is considered. Any new external appointment of a member of the Board requires prior approval by the Board.

Except as stated in note 28 of the Financial Statements, no Director has, or has had, any material interest in any contract or arrangement with the Group during the year.

The Group maintains what the Board considers to be appropriate insurance cover in respect of legal action against the Directors.

Calendar of events in FY24

Q1
- FY23 year-end trading update announced
- FY23 annual results announced
- CEO and CFO annual results Q&A video on website
- Investor roadshow (UK) and analyst presentations, both in-person and virtually
- Annual Report published

Q2
- FY24 Q1 trading update announced
- Engagement with shareholders and proxy advisers prior to AGM
- AGM with shareholders attending in person and being able to ask questions remotely in advance and directly during the meeting
- Attendance at Berenberg UK Corporate Conference

Q3
- FY24 Q2 trading update announced
- FY24 interim results announced
- CEO and CFO interim results Q&A video on website
- Investor roadshows (UK and US) and analyst presentations, both in-person and virtually

Q4
- FY24 Q3 trading update announced
- Consultation with shareholders about proposed changes to Directors' Remuneration policy

How the Board operates

During the year, the Board held seven scheduled meetings and two dedicated business planning meetings. The Board also meets when necessary to discuss important emerging issues that require consideration between scheduled Board meetings. The Chair also met with the other Non-Executive Directors without the presence of Executive Directors.

Each Board member is expected to attend each of the Board meetings, Board Committee meetings on which they serve, and the AGM. If unable to attend, they provide feedback on the matters under consideration via the chair of the relevant body in advance of the meeting. The Company Secretary or their nominee attends all meetings. Other members of the senior management team, external advisers and industry experts are invited to attend Board meetings to present and provide insight on the items being considered.

Key Board activities

The table provides a non-exhaustive record of key considerations of the Board during the year and the stakeholders impacted.

Strategy

Had oversight of the annual business planning process, discussed and challenged the recommendations regarding the Group's future strategic growth. Approved the FY25 strategy and three-year plan.
CA OP Sh C WE R Su

Considered the opportunities and challenges faced by the Group in the changing macroenvironment including appropriate financial, strategic and technological responses.
CA OP Sh C WE R Su

Reviewed analysis of recent developments in the advised and D2C platform markets and approved changes to product propositions and the Product Governance Framework.
CA Sh R

People, culture and governance

Arranged and participated in the external evaluation of the Board and its Committees, reviewed evaluation outcome reports and suggestions.
CA Sh R

Reviewed Board composition and succession planning for the Board and senior management.
CA OP Sh R

Assessed the cognitive diversity of the Board and Executive Committee using the Diversity of Thought (DOT) Scorecard® with participants completing a DOT questionnaire.
CA OP Sh R

Reviewed and approved the Group's Corporate Governance Policy.
CA OP Sh R

Reviewed and approved the Anti-Bribery and Corruption Policy, Modern Slavery Statement and Diversity Policy.
CA OP Sh R Su

Received and reviewed updates on ESG matters.
CA OP Sh C WE

Appointed two new Non-Executive Directors to the Board.
CA OP Sh R

Engaged with our people via our Employee Voice Forum and employee survey and received updates from management on key topics. Conducted 'Lunch and Learn' sessions and a Manager's Day where the workforce were able to converse with the Board.
OP

Conducted an annual review and refinement of our culture dashboard.
OP

Risk management and regulatory matters

Approved the Group's risk framework and appetite and reviewed and approved the Group Risk Management Policy.
CA OP Sh R

Considered stress testing activity, the potential impact of the Group's risks and challenged and approved the Group's ICARA.
CA Sh WE R

Attended training provided by external firms on CASS and the Senior Managers and Certification Regime.
CA Sh R

Reviewed and challenged CASS reports.
CA Sh R

Reviewed and challenged the Group's activity to ensure effective implementation of the FCA's Consumer Duty, including receiving regular updates on customer complaints, themes and mitigation.
CA Sh R

Approved the Group's annual Consumer Duty Statement as required by the FCA.
CA Sh R

Finance and performance

Approved the final and interim dividend payments in accordance with the Group's dividend policy.
Sh R

Reviewed and approved the Group's interim and full-year financial results and Annual Report and Accounts prior to publication, with consideration given to business viability and the preparation of the accounts on a going concern basis.
CA OP Sh R

Approved revisions to the Group's capital allocation framework.
CA OP Sh R Su

Reviewed and approved revisions to the Group's Financial Controls Policy.
CA OP Sh R Su

Had oversight of financial performance against the budget and market expectations.
CA Sh R

Key

CA Customers & Advisers	C Communities	R Regulators
OP Our People	WE Wider environment	Su Suppliers
Sh Shareholders		

2 Division of responsibilities

Leadership structure

The chart provides an overview of the Board composition and Committee structures.

Board

Responsible for leading the Group and promoting AJ Bell's long-term sustainable success by setting strategy to generate stakeholder value. Accountable for monitoring the effectiveness of a robust system of governance, internal controls and risk management.

Roles and responsibilities within the Board

Non-Executives

Chair
Leads the Board to ensure overall effectiveness and shapes boardroom culture by promoting open and effective discussion at meetings to enable valuable contribution from all participants. Meets regularly with the SID, Non-Executive Directors and CEO outside of formal meetings during the year.

SID
Provides a sounding board for the Chair and is available as an intermediary for the Non-Executive Directors. The SID is available for shareholder communication where normal lines of communication are not successful or where it is considered more appropriate. The SID also leads the annual appraisal of the Chair by the Non-Executive Directors.

Non-Executive Directors
Constructively challenge the performance of the ExCo in relation to the delivery of strategy and personal objectives. Whilst the Representative Director is not independent under the Code and is a nominee appointed to represent and safeguard the interests of a major shareholder, he is subject to the same duties and responsibilities as the other Non-Executive Directors, including the exercise of independent judgement and to promote the success of the Company for the benefit of its shareholders as a whole.

Executives

CEO
Under delegated authority from the Board, the CEO is responsible for the leadership and management of the business to achieve its strategic objectives and ensure compliance with regulatory and legal obligations. Responsible for communicating senior management's views on business issues to the Non-Executive Directors.

Executive Directors
The other executive Board members (the CFO and COO) add commercial and internal perspectives to discussions at Board meetings and support the CEO in communicating senior management's views on business issues to the Non-Executive Directors. Hold specific management responsibilities in the day-to-day running of the business.

Company Secretary
Ensures that the Board and Committee procedures are complied with and advises on corporate governance and related regulatory compliance. Ensures the timely delivery of information and meeting papers and prepares minutes of the meeting to clearly record discussions and decisions.

Board-delegated responsibilities to the Board Committees

Audit Committee
Oversees financial and narrative statements, systems of internal controls, internal and external auditors and the related processes.
See report p88

Risk & Compliance Committee
Oversees risk appetite, risk management framework, and compliance with laws, regulations and ethical codes of practice and the prevention of fraud.
See report p94

Nomination Committee
Oversees the procedure and process for Board and senior appointments, succession planning and reviews Board composition.
See report p84

Remuneration Committee
Ensures that the remuneration policy and practices support strategy, promote long-term sustainable success, and rewards fairly and responsibly, within regulatory requirements.
See report p98

Disclosure Committee
Oversees compliance with the Listing Rules, Disclosure Guidance and Transparency Rules, UK Market Abuse Regulation and procedures regarding the disclosure of highly confidential and inside information.

Delegated authority from the CEO to the Executive Committee (ExCo)

Executive Committee
Responsible for the day-to-day management of the Group's operations under delegated authority from the CEO. The members and role of the ExCo can be found on page 79.

Proposition Committee
Oversees the management and distribution of Advised and D2C products.

Operational Committee
Oversees operations and people, including service quality, resilience, efficiency, workforce engagement, talent management, employer brand and culture.

Finance & Treasury Committee
Oversees financial and liquidity management, forecasting, market disclosures, financial controls and cash funds held on behalf of customers.

Executive Risk Committee
Oversees all assurance functions, including regulatory compliance and risk management (excluding external and internal audit).

Investment Committee
Oversees the management and distribution of investment products.

Board Committees

Details of the roles and responsibilities of the Board Committees, other than the Disclosure Committee, can be found in the respective Committee's report. The terms of reference of each Committee are available on the Group's website at **ajbell.co.uk**.

The Board has also established a Non-Executive Director ESG Forum to undertake periodic deep dives on ESG issues, provide insights and make recommendations to the Board on ESG strategy and ESG-related risks and opportunities.

Time commitments

Members of the Board are expected to devote such time to the affairs of the Group as is necessary to enable them to perform their duties as Directors. The time that Non-Executive Directors are expected to commit to their role varies according to their responsibilities. The time commitments of the Directors are reviewed annually, or more regularly by the Nomination Committee if required. Non-Executive Directors are expected to commit a minimum of 30 days per year for core Board activities and membership of Board committees. Committee Chairs are expected to commit a minimum of 40–45 days per year. The Senior Independent Director is expected to commit a minimum of 35 days per year, whilst the Chair is expected to commit a minimum of 90 days per year. It is acknowledged that Directors are likely to devote substantially more time to their role than the required minimum.

The Board is satisfied that the Chair and each of the Non-Executive Directors devote sufficient time to their duties.

During the year, the Nomination Committee, on behalf of the Board, approved the following significant additional external appointments taken by the Non-Executive Directors as those appointments were not considered to impair their ability to serve as Directors of the Company in view of their time commitments:

- Eamonn Flanagan as Chair of Movestic Liv, Chesnara's life assurance subsidiary in Sweden;
- Evelyn Bourke as Chair of GenesisCare UK and Non-Executive Director of GenesisCare Cayman Holdings Limited; and
- Fiona Fry as a Non-Executive Director of Revolut NewCo UK Ltd.

Director independence and tenure

The Nomination Committee completed its annual review of the independence of each Non-Executive Director considering length of tenure, relationships and other circumstances which are likely to impair, or appear to impair, the Director's independent judgement. It was concluded that each of the Non-Executive Directors, excluding the Representative Director, remained independent. On the recommendation of the Nomination Committee, each of the Non-Executive Directors have been assessed by the Board to be independent as to character and judgement and to be free of relationships and other circumstances which could materially affect the exercise of their judgement.

Executive Committee

There is a clear division of responsibilities between the Chair and the CEO which is recorded in each of their respective terms of reference which have been approved by the Board.

The day-to-day management of the Group is delegated by the Board to the CEO, who is supported by the Executive Committee, which he chairs. The day-to-day management of operations is delegated to the Executive Committee. The CEO and the Executive Committee exercise their respective delegated responsibilities within the confines of the risk and control framework set by the Board. We consider that this simplified management structure effectively enables the Board to ensure that its governance responsibilities are properly discharged.

The membership of the Executive Committee comprises the CEO, CFO and COO (whose biographies can be found on pages 72 and 73) and the leaders of the business functions. The members of the Executive Committee as at 30 September 2024 are pictured to the right, and their biographies can be found on the website at **ajbell.co.uk**.

New appointment

Following the year end, Ryan Hughes was appointed to the Executive Committee as Managing Director of AJ Bell Investments, a role he had held on an interim basis since late 2023. Kina Sinclair was also appointed Company Secretary, effective from 1 November 2024.

Michael Summersgill
Chief Executive Officer


Peter Birch
Chief Financial Officer


Roger Stott
Chief Operating Officer

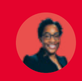

Billy Mackay
Managing Director, Advised


Charlie Musson
Managing Director, D2C


Karen Goodman
Chief Risk Officer


Mo Tagari
Chief Technology Officer


Liz Carrington
HR Director


Kina Sinclair
Group Legal Director and Company Secretary


Executive committee gender

Men	67%
Women	33%

Executive committee ethnicity

White	67%
Ethnic minority	33%

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Les Platts was appointed as Representative Director of Andy Bell in July 2023 after the Company entered into a Relationship Agreement. Under the Relationship Agreement, Andy, the former Chief Executive Officer and a co-founder of the Company, who, together with his connected persons, is the largest individual shareholder, has the right to nominate one Director for appointment to the Board. Les is not considered independent pursuant to the Code.

The Code requires the Chair to be independent on appointment. Thereafter, the test of independence no longer applies to this role. Fiona Clutterbuck's independence was scrutinised during the Chair selection process and she was deemed to be independent on appointment.

Following the appointment of Fiona Fry and Julie Chakraverty as Non-Executive Directors, as at 30 September 2024, the Board comprised the Chair, five independent Non-Executive Directors, one non-independent Non-Executive Director and three Executive Directors. As a result, at least half of the Board, excluding the Chair, are considered independent Non-Executive Directors.

The Board believes that its composition remains appropriate and that no single individual or group dominates the decision-making process.

Board support, information and advice

The Directors have access to independent professional advice at the Group's expense, as well as to the advice and services of the Company Secretary, who is available to advise the Board on corporate governance matters. The Company Secretary ensures appropriate and timely information flows between the Board, its Committees and senior management, enabling the Board to exercise its judgement and make fully informed decisions when discharging its duties. The Company Secretary supports the Chair in setting the Board agenda. Board papers are distributed to all Directors in advance of Board meetings via a secure electronic system allowing Directors to access information in a timely manner.

3 Composition, succession and evaluation

Board composition

The Board has delegated responsibility to the Nomination Committee for reviewing Board composition, succession planning for the Board and senior management, selecting and appointing new Directors and considering the results of the Board effectiveness review. During the year, the Board appointed two new independent Non-Executive Directors using an external search consultancy and re-assigned the roles of Consumer Duty Champion to Margaret Hassall and Whistleblowing Champion to Eamonn Flanagan.

More information on the work of the Nomination Committee during the year can be found on **pages 84 to 87**.

The Board composition data can be found on pages 72 and 73 and details of Board diversity including disclosure requirements under the Listing Rules are set out in the Nomination Committee Report on pages 84 to 87.

All directors are subject to conduct rules laid down by the FCA and must satisfy requirements relating to their fitness and propriety. In addition, the Chair, the Senior Independent Director and Chairs of the key board committees are subject to all aspects of the FCA's Senior Managers and Certification Regime.

Each of the Directors is subject to annual re-election and intends to submit themselves for re-election at the 2025 AGM. All directors eligible for re-election (save for Roger Stott who will be retiring from the Board in December 2024) will be recommended to shareholders for re-election at the AGM.

The terms and conditions of appointment of the Chair and each of the Non-Executive Directors are available for inspection during normal business hours at the Company's registered office and at the AGM for 15 minutes before and during the meeting.

Julie Chakraverty joined the board in June 2024 and shares her insights

What are your first impressions of AJ Bell?

Joining the Board and getting to know my new colleagues across the company, I've really been made to feel at home. AJ Bell has a strong and distinctive brand our customers love. I've seen this first hand through meeting customers face to face. The Board has an open culture which welcomes new ideas. Our Chair in particular has helped me quickly get up to speed and will always make the time to continue a discussion over a cup of coffee.

What do you bring to AJ Bell, its Board and its members?

I was hired to bring some unique skills and experiences that would complement the backgrounds of our existing board members. In particular I have recent entrepreneurial and product experience as a tech founder, on top of an extensive financial services career. I want to help the management team make the AJ Bell platform and experience even better so we reach more customers and help them to realise their goals.

How important was the induction for you?

I found my interview process to be a series of very open conversations, and induction was then a natural extension. I love spending time out in the business, to listen and learn. The programme really hit the right notes for me, getting to meet the teams across our Advised and D2C platforms. I've met our Employee Forum to learn how colleagues are embracing AI in their daily work, sat with our customer support teams, spent time with our product leads, and joined key customer meetings. It's been a hugely informative and enjoyable process.

Board induction, training and development

On appointment, all Directors undertake a comprehensive formal induction programme which includes meeting with the Chair, Executive Committee, and other members of the senior management team. Areas covered include an overview of the Company's business strategy and operating model, products and markets, capital management and financial controls, and risk and governance responsibilities. The meetings are supplemented with the provision of background reading and visits to parts of the business to meet with colleagues for further understanding of the organisation. Each induction is tailored to the individual skills and experience of the Director and is supplemented by a session provided by external advisers where relevant.

To enable all Directors to fulfil their duties effectively and remain informed of changes to legislation, regulation and market practice, training sessions are delivered by internal or external advisers and industry experts where appropriate. During the year, the Board received external presentations on the Client Assets Sourcebook, Senior Managers and Certification Regime, and cyber security and ransomware. Non-Executive Directors are also encouraged to attend external seminars on topics which they consider appropriate for their professional development needs.

As part of the annual appraisal process, Executive Directors undertake performance reviews and the Chair reviews and agrees the training and personal development requirements of the Non-Executive Directors.

Succession planning

The Board has the overall responsibility to ensure there is adequate succession planning for the Board and senior management. It continues to review plans for the orderly succession of appointments to the Board and senior management so that the right balance of appropriate skills and experience is represented. The Nomination Committee is responsible for keeping the leadership of the Company under review including formulating succession plans for the Board and senior management and making recommendations to the Board. Further details can be found in the Nomination Committee report on pages 86 and 87.

Board performance review

The Board conducts an annual review of its performance which is a key mechanism for ensuring that it continues to operate effectively and for setting objectives and development areas for the forthcoming year. This annual review is conducted through a formal evaluation and considers the work of individual Directors, the Board and Board Committees.

2023 Board Performance Review

An internally-led review of the Board and its Committees was undertaken in 2023. The process and outcomes of this review were set out fully in last year's Annual Report. The Chair evaluated the performance of the Non-Executive Directors, and the Non-Executive Directors led by the Senior Independent Director evaluated the performance of the Chair during the year. The findings of the review of the Board and each of its Committees indicated that the Board was operating effectively overall, however seven recommendations were identified. Progress against these recommendations is reported in the following table:

Areas of focus and recommendations	Progress
The need to increase the level of focus on the long-term composition of the Board along with talent management and succession planning below Board level.	Reviewed Board composition to ensure an appropriate balance of independent Non-Executive Directors and other Directors as required by the Code and to ensure external diversity targets are met. Board composition and succession planning has been a main focus of the Nomination Committee and Board over the course of the year with the appointments of two Non-Executive Directors, including successor to the Chair of the Risk & Compliance Committee. Non-Executive Director, Executive Committee and senior management succession planning will continue to be a main focus for the Nomination Committee. In addition, further opportunities are being created for the Board to engage with senior management to provide the Board with visibility of emerging talent in the Company.
Continuous improvements were required to management reports and papers to ensure high quality and relevant information flowed to the Board.	A new approach to the production of high quality Board papers and management information, including KPIs is being explored to continue to enhance the quality of debate at Board meetings and assist the Board in making timely and informed decisions.
Opportunities should also be sought for more Board engagement outside of the boardroom to continually build on the positive relationships on the Board.	To build on the positive relationship between members of the Board, additional board dinners have been scheduled into the Board calendar, and NED only sessions take place before each Board meeting.

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2024 Board Performance Review

The Code and the Financial Reporting Council's Guidance On Board Effectiveness recommend that the annual performance review of the Board should be externally facilitated every three years. To this end for FY24 the Board engaged Alison Gill of Bvalco Limited (Bvalco) to assist with the evaluation of its own performance, that of its Committees and individual Directors. Bvalco has no other connection with the Company or individual Directors.

The external evaluation provided the Board with the opportunity to assess the effectiveness of the collective Board, as well as each Board Committee and individual Director. The process allowed the Board to receive input from key stakeholders with direct involvement and reporting to the Board, including members of the Executive Committee. The review process and outcomes are reported below, highlighting further areas of focus and development that were identified during the process, as well as identifying the strengths that could continue to be optimised.

Stage 1: Oct 23

Appointment of external facilitator

Following a Request for Proposal from four independent external Board performance review professionals, the written proposals from the prospective facilitators were shared with the Chair of the Board. On reviewing the proposals, a shortlist of two facilitators met with the Chair, the Chief Financial Officer and the Company Secretary to discuss their evaluation methodologies and to review the options available to the Company. The written proposals for each of the prospective facilitators were discussed by the full Board and in October 2023, the Board approved the appointment of Bvalco Limited as the external facilitator.

In selecting the external Board evaluator, the skills and competencies of the facilitator were assessed in line with the recommendations of the FRC Guidance on Board Effectiveness, amongst other things. Existing commercial relationships and conflicts of interest were considered to ensure that an evaluator was selected who was able to exercise independent judgement.

Stage 2: Feb – Mar 24

Agreement of form and scope of the Board evaluation

The scope and objectives of the review were agreed with Bvalco. The scope covered general areas of effectiveness including: the strengths and capabilities of the Board and each of its Committees, Board composition, dynamics and succession as well as individual Directors. The objectives of the review process were:

- to facilitate the development of an agreed set of priorities to improve the functioning of the Board and Board Committees;
- to conduct a review of the Chair to support the SID with the annual review of the Chair;
- to provide the Board with clarity about the strengths and weaknesses of the Board; and
- to provide a clear set of priorities for improving the effectiveness of how the Board and Board Committees work, given the needs of the Company.

Stage 3: Mar – Apr 24

Interviews and Board and Committee meeting observation

In consultation with the Chair, Bvalco agreed the items to be prioritised and addressed during the review process. The review took the form of detailed interviews with every Board member, members of the Executive Committee, the Head of Internal Audit and the Company Secretary.

Bvalco also observed various Board and Board Committee meetings and reviewed meeting papers, strategy documents, terms of reference of the Committees and Board policies, as required.

Stage 4: May 24

Feedback and report findings

Following an analysis of the preliminary findings and the identification of key themes for feedback to the Board, a draft report and agreed priorities were provided to the Chair of the Board and the final report was presented to the Board. Feedback on the effectiveness of each of the Board Committees was provided to the chair of the relevant Committee. At each of the Committees' subsequent meetings, discussions on specific areas of the report were led by the respective Committee chair. The Chair of the Board received a report with feedback on individual Directors and feedback on the Chair's performance was provided to the Senior Independent Director.

Overall, the findings endorsed the belief that the Board and its Committees are performing and operating effectively, and that the Directors are satisfied with the performance and effectiveness of the Board and its Committees. The Board was found to be engaged and properly committed to doing the right thing for the Company. There is a high degree of respect for the skills, capability, and contribution that each person delivers to the Board and, there was substantive evidence that the Board is delivering positive impact for the Company.

Stage 5: May – Jul 24

Recommendations and action plan

To assist the Board in building on the significant positive impact it already provides, the review offered some recommendations. The Board adopted the recommendations and developed a plan to implement the actions with oversight by the Nomination Committee. The key recommendations from the review are as follows:

- review the Board agenda to rebalance the time spent on strategic matters versus operational oversight;
- continue to devote greater focus to longer-term strategic issues and deliver a clear ambition on strategic objectives;
- review Board Committee membership in light of the appointment of new Non-Executive Directors;
- enhance the quality of Board papers and management information; and
- review the Board and Committee calendar to optimise time spent in Manchester.

The progress made on the actions taken to implement the recommendations from the 2024 performance review will be reported in the 2025 Annual Report and Accounts.

4 Audit, risk and internal control

Within the Statement of Directors' responsibilities set out on page 123, the Directors have declared that they consider the Annual Report and Financial Statements as a whole to be a fair, balanced and understandable assessment of the Group's position and performance, business model and strategy.

Details of the composition and work of the Audit Committee, including its role in relation to the 2024 Annual Report and Financial Statements can be found on pages 88 to 93. The description of the business model and strategy for delivering the objectives of the Group are on pages 20 and 21.

The Board monitors the Group's risk management and internal control systems on an ongoing basis and carries out a review of their effectiveness. Whilst the Board retains overall responsibility, it has delegated oversight of the risk management and internal control systems to the Audit Committee and Risk & Compliance Committee. Further information on the roles of the Audit Committee and Risk & Compliance Committee in relation to risk management and internal control systems can be found in the Committee reports on pages 88 to 93 and 94 to 97, respectively.

A robust assessment of the principal risks faced by the Group, including those that would threaten its business model, performance, solvency and liquidity has been carried out. The Group's ongoing process for identifying, assessing and managing the principal risks faced by the Group and the risks and mitigating factors are detailed in the risk management section on pages 58 to 60. Details of the Directors' assessment of the viability of the group can be found on page 67.

5 Remuneration

The Remuneration Committee assists the Board in fulfilling its responsibility to shareholders to ensure that remuneration policy and practices support strategy and long-term sustainable success whilst rewarding fairly and ensuring that incentives and rewards align with culture.

The Remuneration Committee has delegated responsibility for determining the policy for executive remuneration and setting remuneration for the Chair of the Board, CEO, other Executive Directors, members of the senior management team, individuals who are classed as being material risk takers and certain Risk and Compliance members of the workforce. During the year no individual Director was involved in deciding their own remuneration. For details on the work of the Remuneration Committee and the Directors' Remuneration report, see pages 98 to 119.

Annual General Meeting

The AGM will be held on 29 January 2025 at 12 noon at AJ Bell, 4 Exchange Quay, Salford Quays, Manchester, M5 3EE. Shareholders will be invited to attend in person or by proxy. Further details about how shareholders can attend the AGM, ask questions and vote by proxy are set out in the notice of the 2025 AGM.

To further engage with our shareholders, a video covering the key points from our 2024 annual results will be published on our website at **ajbell.co.uk/group/investor-relations** on 5 December 2024. The video outlines our business performance and financial results for the year ended 30 September 2024, as well as the outlook for 2025 and will be presented by CEO, Michael Summersgill, and CFO, Peter Birch.

Fiona Clutterbuck
Chair
4 December 2024

Fiona Clutterbuck

Chair of the Nomination Committee

Committee attendance

The Committee meets at least twice a year and may meet at other times as agreed by the Chair or at the request of another member of the Committee. During the year, the Committee had two scheduled meetings and four additional ad hoc meetings.

Member	Position	Meetings attended / Eligible meetings[1]
Fiona Clutterbuck	Chair	6/6
Evelyn Bourke	Senior Independent Director	6/6
Eamonn Flanagan	Non-Executive Director	5/6[2]
Margaret Hassall	Non-Executive Director	6/6

1. Including ad hoc meetings.
2. Eamonn Flanagan was unable to attend an ad hoc meeting arranged at short notice.

For ad hoc meetings members were unable to attend, members provided input ahead of those meetings via the Committee Chair.

Role and responsibilities

The Nomination Committee is responsible for reviewing the leadership needs of the business to ensure it can continue to succeed. This includes succession planning, making recommendations to the Board in respect of appointments to the Board, the Board's Committees, the ExCo and the chairmanship of the Board's Committees. The Committee is responsible for keeping the structure, size and composition of the Board and those other governance bodies under regular review, and for making recommendations to the Board about any changes that are necessary, considering the skills and expertise required to deliver the Group's strategy. The Committee is also responsible for overseeing the development of a diverse pipeline for succession.

The Committee considers the balance of skills, knowledge, and experience on the Board and ExCo and the diversity needed when determining the capabilities required for any new role. Succession plans for Executive and Non-Executive Directors and senior management, in particular for the key roles of Chair of the Board and CEO, are considered by the Committee.

The role and responsibilities of the Committee are set out in its formal terms of reference, a copy of which can be viewed on the Group's website **ajbell.co.uk**.

Dear shareholder

As Chair of the Nomination Committee, I am pleased to present the Committee's report for the year ended 30 September 2024.

The Committee continues to play an important role in ensuring that the Company is led by a Board and senior management with the combination of skills and experience required to deliver sustainable success for the benefit of all our stakeholders. It has been a particularly busy year for the Committee, with the focus primarily having been on Board and senior management recruitment and succession planning, the composition of the Board's Committees and overseeing the external Board effectiveness review.

Further information about the activities of the Nomination Committee is set out in this report.

Membership

Appointments to the Committee are made by the Board on the recommendation of the Committee. They are for a period of up to three years, which may be extended for two further periods of three years provided the majority of the Committee members remain independent.

At year end, the Committee comprised four independent Directors; myself, Non-Executive Chair and Chair of the Committee, Evelyn Bourke, the Senior Independent Director, Eamonn Flanagan and Margaret Hassall, both of whom are independent Non-Executive Directors.

The Company Secretary acts as Secretary to the Committee. The CEO, other members of the senior management team and external advisers are invited to attend the Committee's meetings by the Chair, as and when considered appropriate.

Board composition

Last year, we reported that, following a review of the composition of the Board and its Committees in mid-2023 and with the appointment of Les Platts to the Board as a non-independent Non-Executive Director, the Committee identified a need for additional independent Non-Executive Directors to ensure continuous compliance with corporate governance rules and best practice.

Following the appointment of Fiona Fry as an independent Non-Executive Director with effect from 7 December 2023, we reported that we had commenced a search for a further independent Non-Executive Director. The process was led by myself as Chair, with the support of the Committee members. The Committee engaged Warren Partners, an independent recruitment consultancy firm, to assist with the search and the recruitment process commenced in January 2024. Warren Partners is an independent party with no other connection with the Company or any individual Director other than to assist with searches for executive and non-executive talent.

Main activities during the financial year

The Committee met six times during the year and a summary of the work undertaken is presented below.

Activity	Nov	Apr[1]	May	Jul	Sept
Board appointment	✓	✓			
Executive appointment			✓		
Board and ExCo succession planning		✓		✓	
Board and Committee effectiveness review		✓		✓	
Committee structures				✓	
Committee and Board governance (including D&I)				✓	✓

1. Two meetings were held in April.

The Board recruitment process:

- The recruitment process for directors is designed to ensure that the Board possesses a diverse range of skills and appropriate objectivity. It also involves detailed referencing and other checks to establish the candidate's credentials, including suitability, fitness and propriety. Regulatory approval is required for certain Board roles.
- The Nomination Committee agreed a candidate specification based on objective criteria, setting out the knowledge, skills, experience, and attributes required. Ethnic and gender diversity were also key considerations taking into account the composition of the Board whilst ensuring that any appointment was made on merit.
- From the candidate specification, Warren Partners conducted an extensive search covering a wide talent pool from which candidates were assessed for a longlist consideration and initial meetings with the Chair.
- Warren Partners produced a longlist of potential candidates who were interviewed by Committee members and some other members of the Board. Following this, a shortlist of candidates was compiled. After consideration by the Committee, three candidates emerged for further interviews by the Committee.
- Feedback on the candidates was obtained through professional references and these, together with the feedback from the Committee members, were considered alongside the relative characters, skills and experience of the candidates. Following due and careful consideration of each of the candidates and the current needs of the Board, based on a unanimous decision, the Committee selected Julie Chakraverty as the sole preferred candidate for the role.
- Ahead of recommending Julie to the Board as the preferred candidate, the Committee assessed her independent status and reviewed potential conflicts of interest and other time commitments.

Julie joined the Board as a Non-Executive Director with effect from 1 June 2024. She brings more than 30 years of financial services and technology leadership experience to the Board having spent most of her early career at UBS where she held multiple global leadership roles. Julie was also the founder and CEO of Rungway Limited, an employee engagement platform that empowers people to seek and share advice at work. Julie previously served on the Boards of Santander UK plc, Aberdeen Asset Management and Standard Life Aberdeen plc (now Abrdn plc), Amlin plc (now Mitsui Amlin), and the Spirit Pub Company plc (now Greene King). She is currently a Non-Executive Director and Chair of the Ethics and Sustainability Committee at Starling Bank and the Senior Independent Director and Chair of the Cyber Security Committee at NCC Group plc.

Her wealth of experience and knowledge in the financial services sector will be invaluable as the Board continues to focus on strategic priorities. The appointment further strengthens the diversity and skill set of our Board as we also make progress against targets and growth plans.

Following the changes, at year end the Board comprised the Chair, five independent Non-Executive Directors, one non-independent Non-Executive Director and three Executive Directors. This meant that there was at least half of the Board, excluding the Chair, who were considered independent Directors. This meant that the Board had achieved all FCA requirements of 50% female representation, one member of the Board to be from a minority ethnic background and still satisfied the requirement for at least one of the Chair, CEO, CFO or Senior Independent Director to be a woman.

Composition of the Board Committees

As reported last year following the appointment of Fiona Fry, it was the intention that she assume the role of Chair of the Risk & Compliance Committee, subject to regulatory approval, to succeed Simon Turner, who completed nine years' service and retired from the Board on 31 March 2024. Regulatory approval was obtained on 28 March 2024 and Fiona Fry assumed the role of Chair of the Risk & Compliance Committee on 31 March 2024.

Following the recent changes to the Board during the year, the Committee reviewed the existing membership of all of the Board Committees. The review took into account governance rules and best practice on Committee composition as well as Committee Chair succession considerations.

The outcome of the review was that the Committee recommended a number of changes to the Board, which the Board approved with effect from 11 July 2024. The Committee considered that the changes would further strengthen the existing corporate governance framework by providing a further level of independent non-executive challenge. Following the Board's approval of the changes, I stepped down as a member of the Remuneration Committee and Evelyn Bourke stepped down from the Risk & Compliance Committee. Margaret Hassall stepped down from the Audit Committee and joined the Risk & Compliance Committee. Fiona Fry joined the Audit Committee and Julie Chakraverty joined the Audit, Risk & Compliance and Remuneration Committees.

Executive Committee changes

At a senior management level, the Committee recommended to the Board the appointment of Charlie Musson, Acting Managing Director D2C, as the Managing Director, D2C, in the place of Kevin Doran, who stepped down from the role in early 2024. In addition, the Committee recommended to the Board the appointment of Ryan Hughes as Managing Director, AJ Bell Investments subject to regulatory approval.

Succession planning

The Committee is charged with keeping the leadership of the Company under review including formulating succession plans for the Board and ExCo and making recommendations to the Board. To ensure the Company's leadership has the talent needed for the future, the Committee received updates on executive succession management and reviewed both short-term contingency and long-term succession planning for the members of the ExCo during the year. This provided the Committee with a view of the talent pipeline of potential leaders in the business and to understand where the gaps were and the actions to be taken to address capability requirements.

At Board level, the Committee reviewed, and recommended to the Board for approval, the Non-Executive Director succession plan. The succession plan caters for contingency / emergency planning (for sudden and unforeseen absence / departures of directors) and long-term planning for the orderly replacement of current board members.

Board diversity statement

The Board believes it is important that both the Board and ExCo are diverse in multiple dimensions. The Committee leads the Board's diversity and inclusion agenda and sets measurable objectives for the Board and ExCo with the aim of continuously improving diversity of thought and in turn, the quality of debate and decision making.

It is the Board's policy for all appointments to be made on merit, in the context of the skills, experience and knowledge which the business requires to be effective. Selection processes take into account the wider elements of diversity, with a view to ensuring the composition of the Board and other governance bodies is appropriately balanced to support the strategic direction of the Group.

For Board appointments, AJ Bell will only engage with executive search firms who have signed up to the Voluntary Code of Conduct around diversity. Search firms are required to put forward a diverse range (across multiple criteria) of credible, qualified candidates for both executive and non-executive roles. Specifically, where appropriate search firms are required to consider candidates for appointment as Non-Executive Directors from a broader pool, which may include those with little or no prior FTSE board experience.

The Board is committed to the recommendations of the Parker Review on having a minimum of one director from an ethnically diverse background and the FTSE Women leaders target of a minimum of 40% female representation on the Board. I am pleased to report that the Company has met both targets.

The information below is provided in compliance with reporting requirements under the Listing Rules. The Company is required to disclose in its Annual Report, certain diversity metrics relating to the composition of its Board and executive management, as well as its performance against three diversity targets that have been set by the FCA. Information on gender or sex and ethnicity is collected from the Board and executive management at the recruitment stage.

The information below is provided as at 30 September 2024 and confirms that the Company has met all of the following targets on board diversity: (1) at least 40% of its board of directors are women; (2) at least one of its most senior positions on the Board is held by a woman; and (3) at least one individual on the Board is from a minority ethnic background. In the case of the first and second targets, these have been exceeded, with women representing 50% of the Company's Board and both the roles of Chair and the Senior Independent Director (SID) being held by women.

Reporting on gender or sex as at 30 September 2024:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	50%	2	6	67%
Women	5	50%	2	3	33%
Not specified / prefer not to say	–	–	–	–	–

Reporting on ethnic background as at 30 September 2024:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	90%	4	6	67%
Mixed Multiple Ethnic Groups	–	–	–	1	11%
Asia / Asian British	1	10%	–	1	11%
Black / African / Caribbean / Black British	–	–	–	1	11%
Other ethnic groups, incl. Arab	–	–	–	–	–
Not specified / prefer not to say	–	–	–	–	–

Note: data on 'prefer not to say' not included as would have an impact on anonymity.

Performance against FCA diversity targets

Target	Outcome	Position as at 30 September 2024
At least 40% of members of the Board are women	Exceeded	50% of members of the Board are women
At least one senior Board position (Chair, CEO, SID or CFO) is held by a woman	Exceeded	The positions of Chair and SID are held by women
At least one director from a minority ethnic background	Met	One Board director is from a minority ethnic background

At senior management level, a need to improve diversity will remain a key area of focus, in particular, in relation to natural succession changes, as and when they occur.

During the year, the Committee reviewed and updated our existing diversity policy in order to ensure that it still remained relevant to the changing needs of the business. The objective of the policy is to set out our commitment at Board level to improving diversity.

Information on the gender balance of those in senior management and their direct reports is set out in the Strategic report on **page 36**.

Re-election of Directors, independence, and time commitment

The Committee performed its annual review of the independence of all Non-Executive Directors, with reference to their independence of character and judgement and whether any circumstances or relationships exist which could affect their judgement. The Committee considered the circumstances set out in the UK Code, which are likely to impair or could appear to impair the independence of each Non-Executive Director.

The Committee concluded that it considered each of the Non-Executive Directors (other than the Representative Director, Les Platts) to be independent under the UK Code. As an appointee of a shareholder, the Representative Director is not considered independent but contributes by providing a link to Andy Bell's experience as well as his own in-depth knowledge of AJ Bell and the financial services sector. The Representative Director is not a member of any Board Committee. At least half the Board, excluding the Chair (who was independent on appointment) are independent Non-Executive Directors, in compliance with the UK Code.

Prior to recommending the reappointment of the serving Directors to the Board, the Committee also considered the time commitment required for Non-Executive Directors to fulfil their responsibilities and compliance with any applicable FCA requirements in relation to their total number of directorships, and whether each reappointment would be in the best interests of the Company. Detailed consideration was given to each Director's contribution to the Board and, where applicable, its Committees, together with the overall balance of knowledge, skills, experience, and diversity.

Following that review, the Committee was satisfied that the Board continued to be effective and has therefore recommended the re-election of all of the members of the Board at the 2025 AGM.

Board and Committee evaluations

We reported last year that we would conduct an externally-led Board evaluation in early 2024, which was in line with the usual three-year cycle and to allow the recent changes to the Board to embed. The Board evaluation was led by Alison Gill of Bvalco Limited. Alison is a behavioural psychologist who designs and delivers external board reviews, with particular emphasis on the human behaviour and dynamics elements that contribute or undermine board effectiveness. Neither Alison Gill nor Bvalco Limited has any connection with AJ Bell or any of the members of the Board. More information on the Board evaluation process and outcome can be found on page 82.

Nomination Committee priorities for 2024/25

The main focus of the Committee for the year ahead will be consideration of other action required to further support ongoing business growth and increasing stakeholder expectations and demands. This will be in addition to the regular cycle of matters that the Committee considers each year and the continuing focus on succession planning at senior management level and the development of a diverse talent pipeline.

Fiona Clutterbuck
Chair of the Nomination Committee
4 December 2024

Eamonn Flanagan

Chair of the Audit Committee

Committee attendance

The Committee meets at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. The Committee comprises independent Non-Executive Directors.

Member	Position	Meetings attended / Eligible meetings[1]
Eamonn Flanagan	Committee Chair	5/5
Evelyn Bourke	Senior Independent Director	5/5
Margaret Hassall[2]	Non-Executive Director	4/4
Julie Chakraverty[3]	Non-Executive Director	1/1
Fiona Fry[3]	Non-Executive Director	1/1

1. Including ad hoc meetings.
2. Margaret Hassall stepped down from the Committee on 11 July 2024.
3. Julie Chakraverty and Fiona Fry joined the Committee on 11 July 2024.

Role and responsibilities

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring the:

- integrity of the Group's financial and narrative statements and other financial information provided to shareholders;
- Group's systems of internal controls, including financial reporting risk;
- Group's internal and external audit processes and auditors; and
- Group's processes for compliance with laws, regulations and ethical codes of practice, the UK Corporate Governance Code and the FRC Audit Committees and the External Audit: Minimum Standard.

Full terms of reference for the Committee are reviewed annually and are available on the Group's website **ajbell.co.uk**.

The Committee members receive regular training regarding matters relevant to their role and responsibilities.

Dear shareholder

As Chair of the Audit Committee, I am pleased to present the Committee's report for the year ended 30 September 2024. The report provides insight into our work over the year, and details how we have discharged the responsibilities delegated to us by the Board.

Over the year, the Committee focused on its key responsibilities of assisting the Board in monitoring the preparation of the Group's financial reporting statements, assessing the effectiveness of the internal controls, and providing oversight and governance around the integrity of the Group's external and internal audit processes, including assessing the independence and objectivity of the external auditors.

As described in the Committee's report last year, a formal tender process for the external auditor was undertaken and the Committee recommended the appointment of PwC to the Board. Subject to shareholder approval at the 2025 AGM, PwC will be appointed as the Group's external auditor for the year ending 30 September 2025.

The Committee has continued to have a close dialogue with BDO throughout their final year as our external auditor and I would like to thank Neil and his team for their work, endeavours and contribution since appointment. The Committee will oversee the detailed transition and I look forward to working with PwC in the coming year.

Finally, I would like to thank my fellow Committee members for their input and insights during the year, especially Margaret Hassall, who stepped down from the Committee in July 2024. I would also like to take this opportunity to formally welcome Julie Chakraverty and Fiona Fry as members from July 2024. Julie and Fiona bring with them a wealth of experience which will enhance the Committee's deliberations and ensure we continue to foster a broad range of perspectives.

Further information on the activities of the Audit Committee is provided on the following page.

Membership

Membership of the Committee is reviewed annually by the Chair of the Committee as part of its annual performance evaluation. Recommendations for new appointments are considered by the Nomination Committee, prior to Board approval.

The Board is satisfied that the Chair of the Committee has recent and relevant financial experience, and the Committee as a whole has competence relevant to the business sector in which the Group operates. Biographical information on each member is set out on pages 72 and 73.

The Company Secretary is Secretary to the Committee. The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer, Finance Director and other senior members of the Finance Team and Legal Counsel are routinely invited to attend Committee meetings. The external auditor and Head of Internal Audit attended all meetings during the year.

The Chair has regular meetings with the Chief Financial Officer, external audit partner and Head of Internal Audit to discuss key audit-related topics ahead of each Committee meeting. In addition, the Committee also meets privately with the external audit partner and the Head of Internal Audit, at least once a year.

Main activities during the financial year

The Committee has an annual cycle of work to ensure that all responsibilities are met over a calendar year. The Committee met five times during the year. The list below summarises the key items considered by the Committee during the year ended 30 September 2024.

November

Financial reporting
- Review and approval of Annual Report and Accounts
- Assessment of Annual Report and Accounts being fair, balanced and understandable
- Statement of viability and going concern
- Review of results announcement
- Consideration of regulatory developments

External auditor
- Year-end external auditor findings report and audit opinion
- Review and approval of management representation letter
- Confirmation of external auditor independence

Internal audit and controls
- Plan for IT General Controls
- Internal Audit status update on FY24 audit plan
- FY23 Internal Audit opinion

Governance
- Meeting with external auditor without Executive Directors
- Meeting with internal auditor without Executive Directors
- Annual meeting with CRO without Executive Directors
- Annual meeting with CFO without Executive Directors
- Recommendation to Board on external auditor reappointment
- Review of Committee annual agenda

January

Financial reporting
- Review of the limited assurance and reasonable assurance reports in relation to CASS

External auditor
- CASS findings report and opinion

March

Financial reporting
- Review of the CASS audit completion report
- Review of audit timeline for 2024
- Review of key judgements and estimates for the half-year
- Consideration of regulatory developments

External auditor
- Review and approval of fee proposal for interim review and profit verification
- Scope of the interim review
- Confirmation of external auditor independence
- Evaluation of external auditor effectiveness and rigour survey

Internal audit and controls
- Update on IT General Controls
- Internal Audit status update on FY24 audit plan
- Review and approval of the Internal Audit Charter
- Financial Services Code – gap analysis

May

Financial reporting
- Review and approval of Interim Accounts
- Going concern assessment
- Review of results announcement
- Consideration of regulatory developments

External auditor
- Interim review findings and review opinion
- Review and approval of management representation letter
- Confirmation of external auditor independence

Internal audit and controls
- Update on IT General Controls
- Internal Audit status update on the FY24 audit plan and plan refresh
- Update on Combined Assurance Model

September

Financial reporting
- Review of key judgements and estimates for year end
- Review of draft Audit Committee report for year end
- Consideration of regulatory developments

External auditor
- Review of FY24 audit plan
- External audit update
- Approval of terms of engagement and audit fee
- Confirmation of external auditor independence

Internal audit and controls
- Update on IT General Controls
- Internal Audit status update on the FY24 audit plan
- Review and approval of the Annual Internal Audit plan for FY25
- Annual assessment of internal controls
- Evaluation of internal auditor effectiveness

Governance
- Review findings from Annual Committee evaluation
- Annual review of Committee terms of reference
- Annual review of non-audit services policy
- Review of FRC Quality Inspection Report 2023/24

Financial reporting

Financial statements

One of the core responsibilities of the Committee is to ensure the integrity of the Group's financial reporting, which includes overseeing the effectiveness of the financial control environment.

During the financial year, the Committee:

- reviewed the Interim and Annual Report and Financial Statements, and the results announcements and recommended approval by the Board;
- reviewed the clarity and completeness of financial reporting disclosures;
- reviewed reports from management, considered all significant financial reporting judgements for the financial statements and reviewed any related disclosures;
- assessed the application and appropriateness of significant accounting policies in the year; and
- reviewed the Group's going concern assumptions and viability statement.

Accounting judgements and significant issues

The Committee assessed and challenged the appropriateness of the judgements and estimates applied by management in the preparation of the Interim and Annual Report and Financial Statements. As part of its review, the Committee considered the following;

Area for consideration	Committee review and conclusion
Intangible assets and impairment	The Committee reviewed management's paper to support the carrying amount of intangible assets held by the Group. The review is supported by Board-approved forecasts and the sensitivities applied concluded that no impairment was required. The Committee was satisfied with the conclusions.
Goodwill and Cash Generating Units (CGUs)	The Committee considered the impairment review carried out by management. This included assumptions on the underlying calculation of the value-in-use of the CGU tested for impairment. The underlying cash flow assumptions are supported by Board-approved forecasts. The main assumptions, discount rate and sensitivities are included within note 13 of the consolidated financial statements. The Committee was comfortable with the assumptions and judgements made, concluding that the carrying value of goodwill within the financial statements is appropriate.
Share-based payments	The Committee reviewed the key assumptions used for the valuation of options granted under the Company's share-based incentive schemes. The basis of accounting and disclosures made were also considered appropriate and consistent with the external auditor's findings. The Committee was satisfied that the assumptions used, including the performance period over which fair values are recognised, were appropriate.
Provisions	The Committee reviewed management's paper presenting the assumptions and calculation methodologies applied in determining provisions. For the redress provision, judgement is exercised in relation to the scope of the provision population and the assumptions determining the value of compensation required. In addition to considering the appropriate application of IFRS and the recognition principles, the Committee was satisfied that the procedures performed by management to estimate and quantify provisions were sufficiently robust. Further information on the nature of the provisions is included within note 22 of the consolidated financial statements.
TCFD climate risk reporting	Disclosures on climate-related matters are set out on pages 46 to 52 of the Strategic report. The Committee reviewed the Group's TCFD climate risk disclosure responsibilities, including the net zero transition plan and near-term targets, as part of its review of the Annual Report process for FY24. This review ensured that the reporting met the key statutory and regulatory obligations with clear 'comply or explain' disclosure.

These areas have been discussed with the external auditor to ensure that the Group makes appropriate judgements and provides the required level of disclosure. Following consideration of the above, the Committee concluded that there are no items that should be classified as significant or critical judgements in the context of the 2024 Annual Report and Accounts.

Going concern and viability

The Committee reviewed a detailed paper presented by management setting out the assumptions underlying the going concern assessment and viability statements. The paper covered the Group's expected future profitability, capital position and liquidity. The Committee also considered additional stress test scenarios covering a significant reduction in equity market values, a reduction in interest income and an idiosyncratic stress relating to a scenario whereby prolonged IT issues cause a reduction in customer numbers. The Committee also considered management actions that could be taken in the event that the modelled scenarios crystallise.

The Committee recommended to the Board that it was appropriate for the Group to adopt the going concern basis of accounting in preparing the Annual Report and Accounts for the year ended 30 September 2024 and that based on current information they could make the viability statement on page 67.

Fair, balanced and understandable assessment

At the request of the Board, the Committee considered whether the 2024 Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other stakeholders to assess the Group's position and performance, business model and strategy.

The Committee considered the procedures around the preparation, review and challenge of the Annual Report and Accounts; the information and reporting it received from management and the external auditor; and the discussions that took place during the year. The Committee also considered the narrative sections of the reports to ensure there was consistency in the information reported, that appropriate weight had been given to both positive and negative aspects of business performance and that key messages had been presented coherently.

Following its review, the Committee is satisfied that the Annual Report and Accounts are fair, balanced and understandable and provide the information necessary for shareholders and other stakeholders to assess the Group's position and performance and has advised the Board accordingly.

The Directors' statement on a fair, balanced and understandable Annual Report and Accounts is set out on **page 123**.

Client Assets Sourcebook (CASS)

The Committee reviewed the reasonable assurance reports and limited assurance reports in relation to CASS for all regulated entities within the Group. The Committee also challenged management as required on the content and procedures surrounding those reports.

Internal controls

Together with the Risk & Compliance Committee, the Audit Committee is responsible for monitoring and reviewing the effectiveness of the Group's internal control and risk management systems. The Group's systems of internal control and risk management are designed to identify, evaluate and manage rather than eliminate the risk of not achieving business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Through monitoring the effectiveness of its internal controls, the Committee is able to maintain a good understanding of business performance, key judgement areas and management's decision-making processes.

During the financial year the Committee:

- reviewed the adequacy and effectiveness of the Group's internal controls and internal control systems;
- reviewed the adequacy and effectiveness of financial reporting;
- considered and approved the internal audit plan for the year;
- considered reports from the Head of Internal Audit and specialist co-sourced partners, challenged the robustness of findings and agreed actions;
- monitored progress in management's responsiveness to resolving audit issues and control recommendations raised;
- reviewed and approved the internal controls and risk management statements in the Annual Report and Accounts.

During the course of the year, the Committee also received updates on the Group's IT general controls, focusing on CASS controls and the development of an enhanced assessment framework. The Committee was satisfied with the progress made to date and will continue overseeing strategies to improve controls and processes in this area.

The Committee is satisfied that the Group had appropriate procedures in place throughout the year and to the date of signing, which accord with the FRC guidance on risk management, internal control and related financial and business reporting.

The Board's statement on internal control and risk management can be found on **page 83**.

Internal audit

Following its introduction in FY23, the in-house Internal Audit function has established itself as a highly regarded business partner on all matters relating to risk and controls, testing and assurance. The function has continued to deliver its audit objectives across the business covering a wide range of topics across all areas including Operations, Technology, Product, and Risk and Compliance.

The Audit Committee is satisfied that the current target operating model enhanced with co-source support continues to be appropriate for the business at this time.

To support the delivery of this year's annual audit plan, resources from specialist co-source partners Deloitte LLP and Forvis Mazars LLP were used on the following assignments:

- Information Technology Governance Review. Deloitte provided a team of IT Audit resources which supported a review of existing IT risk and control practices and helped to identify improvement opportunities across the Group's IT Governance framework.
- Embedding Consumer Duty. The in-house team was supported by a specialist team with significant experience of working within the investment management sector and delivering advisory engagements in relation to Consumer Duty. This team, also from Deloitte, was able to share their experiences from across the sector to help benchmark AJ Bell's approach, processes, and controls against similar organisations and industry good practice.
- Remuneration and Reward Policy Compliance Review. Resources from Forvis Mazars were engaged to support a mandatory independent review of the Group's compliance with its Remuneration Policy and to validate implementation of the policy in relation to FY23 fixed and variable pay awards.

Other audit reviews undertaken in the year include the following: Complaint Handling, SIPP Property Administration Processing, CASS IT General Controls, Investment Operations, Investcentre Adviser Take-on, Cyber Security Threat and Vulnerability Management, Fraud Risk Management (focusing on internal fraud), and Change Management.

Risk advisory assignments and other independent engagements were also performed and included: oversight of a Data Governance controls improvement programme; supporting the development of the Risk Management Framework, notably the Group-wide risk recalibration exercise; and maintaining a watching brief of the annual Business Planning Process.

In addition to performing audit reviews and providing risk advisory services, the Internal Audit Team took ownership of the development of the Combined Assurance Model (CAM). Aligned with both first and second lines of defence, the purpose of the CAM is to present a consolidated view of each line's assurance activities in the understanding, control and management of risk. Internal Audit, with support from both first and second lines of defence, will continue to develop, refine and embed the CAM over the coming year where we expect to see significant progress, including an upgrade of our supporting risk management technology solutions.

The internal audit plan for the upcoming year is approved annually in advance by the Committee. The annual audit plan for FY25 was approved at the Audit Committee meeting in September 2024. This plan is accompanied by a rolling three-year plan designed to ensure all critical areas of the business are covered over the period.

The Committee reviews all internal audit reports in order to assess the effectiveness of mitigating controls and proposed actions by management to address any issues found. The Committee tracks all management actions arising to completion.

The Committee met with the Head of Internal Audit without management present and with management without the Head of Internal Audit present. There were no significant issues raised during these meetings.

The Committee conducted its first formal annual effectiveness review of the Internal Audit function after transitioning to an in-house model in FY23. The evaluation was completed internally and was supported by feedback from both the Committee and other Board members, using a detailed questionnaire to assess the function's independence, objectivity, approach, communication and reporting. The Committee concluded the Internal Audit function is working well and operating effectively with the appropriate level of skills and experience to successfully execute its activities.

Alongside the formal review, the Head of Internal Audit conducted a self-assessment of the function's performance over its first two years. Feedback was collected from ExCo and other key stakeholders within the business. The feedback indicated that the Internal Audit function is integrating effectively and meeting its responsibilities. Where opportunities for improvement have been identified, these have been recorded and ongoing progress will be reported to the Committee.

The Committee also considered the timing for an external assessment of the Internal Audit function and agreed that this should take place no later than FY27 in accordance with Global Internal Audit Standards.

External audit

Tenure

This is BDO's fifth year as the Group's external auditor following a formal tender process during 2019 and subsequent appointment at the 2020 AGM. Neil Fung-On has fulfilled the role of lead audit partner for a fifth year.

The Committee confirms that the Group has complied with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

During 2023, the Company commenced and completed a formal tender process for the 2025 audit, which was overseen by the Committee and reported on last year. The tender was conducted in line with the FRC's Best Practice Guide to Audit Tendering. In line with requirements, a tender for the external audit should be undertaken no later than 2035.

Oversight of external audit

The Committee oversees the relationship with, and work undertaken by, the external auditor, BDO. The Committee's responsibilities include making a recommendation on the appointment, reappointment and removal of the external auditor and overseeing their effectiveness and independence. The Committee assesses the qualifications, expertise, resources and independence of the external auditor and the effectiveness of the audit process.

During the year the Committee approved the audit plan, the proposed audit fee and terms of engagement for 2024. The Committee also reviewed and challenged reports from BDO which outlined its risk assessments and audit plans, together with audit findings and management responses.

The Chair of the Committee has regular contact with the external audit partner outside of Committee meetings and without the management of the business present.

The Committee considered the effectiveness of the audit process and the external auditor's performance as part of an annual performance review. Feedback was sought from both Committee members and key internal stakeholders and focused on the quality and experience of the audit partner and key audit team, quality of the audit delivery and the extent and nature of challenge demonstrated by BDO in its work and interactions with management. The Committee also considered a report from BDO on its own internal quality control procedures, which included reference to the outcome of the latest FRC Audit Quality Review (AQR) for 2023/24 published in July 2024.

Throughout the year, the Committee has maintained close dialogue with BDO regarding audit quality and their audit strategy. This included seeking comments on the latest AQR findings to ensure that enhancements have been made to address risks identified in the audit and the audit firm. The Committee concluded that it was satisfied with the response from the external auditor, recognising that improvements had been made to address audit quality and that the audit was effective.

BDO will step down at the conclusion of the 2025 AGM following the external audit tender undertaken last year and the Board will recommend to shareholders the appointment of PwC for the year ended 30 September 2025. The Committee will oversee the implementation of a detailed transition plan and an update will be provided in next year's report.

Non-audit fees

The Committee reviewed and approved the non-audit services policy for the year. The policy is reviewed annually by the Committee to safeguard the ongoing independence of the external auditor and ensure compliance with the FRC's Ethical Standard.

The Committee recognises that there are often advantages in using the external auditor to provide certain non-audit services due to their knowledge of the business. In the event that BDO is engaged to provide non-audit services, procedures are in place to ensure that the provision of any such services does not impair the external auditor's independence and objectivity.

Prior to undertaking any non-audit service, external auditor independence is considered together with the nature of the services and fee levels relative to the audit. The approval of the Committee must be obtained before the external auditor is engaged to provide any permitted non-audit services. For permitted non-audit services that are considered not to be material, the Committee has pre-approved the use of the external auditor for cumulative amounts totalling less than £25,000 on the approval of the Chief Financial Officer and the Chair of the Committee.

Fees for non-audit services paid to the external auditor should not, in aggregate, exceed 70% or more of the average audit fees for the preceding three years. Non-audit services for the current year are well within these limits and represent 12% of the three-year average statutory audit fee.

During 2024, the external auditor undertook non-audit work in relation to other assurance services for the review of the interim results, CASS audit and profit verification work and was paid a total fee of £262,000 (2023: £175,000). Analysis of the fees paid to BDO during the current and prior year can be found in note 6 to the financial statements.

As part of the planning, half-year and full-year processes, the Committee also received and reviewed an analysis of all non-audit work provided by BDO in addition to the results of BDO's own independence confirmation checks.

The Committee is satisfied that the external auditor's independence has not been impaired by their provision of non-audit services.

Committee evaluation

As described in more detail on page 82, an external evaluation of the Board and its Committees was undertaken during the year as required by the UK Corporate Governance Code. The Committee reviewed the findings which confirmed the Committee continues to be effective in fulfilling its role and remains independent.

Audit Committee priorities for 2024 / 25

As well as considering the standing items of business, the Committee will focus on the following key areas during the forthcoming year:

- overseeing the transition of the external auditor to PwC for FY25;
- evolving the disclosures and targets for the Group's ESG strategy, including transition to net zero and TCFD targets; and
- considering the impact of the changes to the Corporate Governance Code with regards to internal controls and any other regulatory changes or implications, including any future reporting of the effectiveness of internal controls.

Signed on behalf of the Audit Committee:

Eamonn Flanagan
Chair of the Audit Committee
4 December 2024

Committee attendance

The Committee has four scheduled meetings a year, plus one focused ICARA meeting and may meet at other times as agreed by the Chair or as requested by another member of the Committee. The Committee comprises four independent Non-Executive Directors.

Member	Position	Meetings attended / Eligible meetings[1]
Simon Turner[2]	Committee Chair (Chair to 31 March 2024)	2/2
Fiona Fry[3]	Committee Chair (Chair from 31 March 2024)	4/4
Evelyn Bourke[4]	Senior Independent Director	4/4
Fiona Clutterbuck	Non-Executive Director	5/5
Margaret Hassall[5]	Non-Executive Director	1/1
Julie Chakraverty[5]	Non-Executive Director	1/1

1. Including ad hoc meetings.
2. Stepped down from the Committee on 31 March 2024.
3. Appointed to the Committee on 7 December 2023 and appointed Chair of the Committee on 31 March 2024.
4. Stepped down from the Committee on 11 July 2024.
5. Appointed to the Committee on 11 July 2024.

Roles and responsibilities

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- the Group's attitude to and appetite for risk and its future risk strategy;
- the Group's risk management framework;
- how risk is reported both internally and externally; and
- the processes for compliance with laws, regulations and ethical codes of practice and prevention of financial crime.

The role and responsibilities of the Committee are set out in formal terms of reference, a copy of which can be viewed on the Group's website **ajbell.co.uk**.

More detail on the Group's approach to managing risk is detailed in the risk management framework section of the Annual Report.

Dear shareholder

I am pleased to present my first Committee report as Chair of the Risk & Compliance Committee for the year ended 30 September 2024.

During the year, the Committee considered a wide range of existing and emerging risk and compliance matters. Key areas of focus included:

- completion of our first annual Consumer Duty assessment, and ensuring that the Group continues to provide good outcomes for our customers;
- overseeing the effectiveness of the Group's Risk Management Policy, including the Group's risk appetite categories, principal risks and uncertainties (PR&U) and key risk indicators (KRIs) and tolerances;
- operational resilience and the Group's resilience to cyber attacks;
- Internal Capital and Risk Assessment (ICARA) and the potential impacts of severe economic scenarios on the Group's business model and strategy;
- whistleblowing across the Group;
- financial crime prevention, including overseeing the effectiveness of fraud controls; and
- regulatory horizon scanning for matters impacting the platform sector and asset management sector.

The Committee receives regular training from subject matter experts; this year it has received training on the external regulatory landscape, financial crime and the Senior Manager & Certification Regime, in order to ensure its knowledge of these areas is appropriate.

The Committee concluded that the Group continues to have strong discipline in the management of both emerging and existing risks. The Committee's work continues to help support the Group in reviewing the amount and type of risk it is prepared to take or hold in the context of its business model and in the course of achieving its strategic objectives.

Further information on the activities of the Committee is provided on the following page.

Membership

Membership of the Committee is reviewed annually by the Chair of the Committee as part of its annual performance evaluation. Recommendations for new appointments are considered by the Nomination Committee, prior to Board approval.

The Company Secretary is the Secretary to the Committee. The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer, Head of Risk, Finance Director, and other members of the senior management team are routinely invited to attend Committee meetings.

Main activities during the financial year

The Committee has an annual cycle of work to ensure that all responsibilities are met over a financial year. The list below summarises the main activities considered by the Committee during the year ended 30 September 2024.

November

Risk management framework
- Review and approval of risk appetite categories and statements

Risk reporting
- Review of the CRO report
- Review and approval of the KRIs linked to risk appetite categories and PR&U
- Review of information security reporting
- Review of financial crime reporting

Consumer Duty
- Consumer Duty deep dive

Operational resilience
- Operational resilience deep dive
- Cyber security deep dive

Whistleblowing
- Review and approval of the annual whistleblowing report and policy

Client money and assets
- Review of the client money and assets report

ICARA
- Review of ICARA document, including liquidity risk assessments, recovery planning and the wind-down plan

Regulatory items
- Review of risk sections in annual report

Executive performance and risk taking
- CRO year-end report

March

Operational resilience
- Operational resilience update, including review of self-assessment and 2nd line review

Risk reporting
- Review of the CRO report
- Review of KRIs linked to risk appetite categories and PR&U
- Review of information security reporting

Data
- Data risk deep dive

Client money and assets
- Review of the client money and assets report

Financial crime
- Review of annual report by the Money Laundering Reporting Officer
- Fraud controls

Data protection
- Review of annual report by the Data Protection Officer

ICARA
- Review of process and timetable

Executive performance and risk taking
- CRO mid-year report

May

Risk management framework
- Review and approval of the Group Risk Management Policy

Risk reporting
- Review of the CRO report
- Review of KRIs linked to risk appetite categories and PR&U
- Review of information security reporting

Consumer Duty
- Consumer Duty deep dive

Operational resilience
- Cyber security deep dive

Non-standard investments
- Deep dive on non-standard investments

Client money and assets
- Review of the client money and assets report

ICARA
- Review of process and annual summary of liquidity management

Regulatory items
- Review of risk sections in half-year report

July

CARA
- Review and challenge of material harms, liquidity and stress testing

Risk reporting
- Review of the CRO report
- Review of KRIs linked to risk appetite categories and PR&U

Regulatory items
- Review of Consumer Duty annual board assessment

Committee evaluation
- Annual Committee evaluation

September

Risk management framework
- Review and approval of the annual risk and compliance plan

Risk reporting
- Review of the CRO report
- Review of KRIs linked to risk appetite categories and PR&U
- Review of information security reporting
- Review of financial crime reporting

Operational resilience
- Transfers out deep dive

Client money and assets
- Review of the client money and assets report

Combined assurance model
- Review of assurance (including control effectiveness review)

ESG and TCFD
- Review of climate scenario analysis

Financial crime
- Review of fraud controls

ICARA
- Review and approval of material harms, liquidity and stress testing

Regulatory items
- Review of risk sections in annual report
- Regulatory horizon scanning

Executive performance and risk taking
- CRO pre-performance year-end report

Key areas of focus

Regulatory items

The Committee has reviewed preparation for and implementation of regulatory initiatives through the year. There has been continued focus on the Group's implementation and embedding of Consumer Duty requirements to ensure the delivery of good customer outcomes. Another focus has been the implementation of the Sustainability Disclosure Requirements to support investors in making informed decisions on sustainable product holdings. The Committee receives regulatory horizon scanning and exercises oversight of other key regulatory initiatives, such as the Group's progress on reducing transfer out times. The Committee also maintains oversight of regulatory interactions to support our open and collaborative relationship with the FCA.

Risk management framework

The Acting Risk and Compliance Director, who was supporting the Chief Risk Officer (CRO) whilst on maternity leave, provided the annual assessment of Risk and Compliance functions in September 2024 and confirmed good progress had been made with the delivery of both the Risk and Compliance plans over the previous financial year. The Committee approved the annual Risk and Compliance plans in September 2024. The Committee conducted its annual review of the Group Risk Management Policy in May 2024 and approved the Policy with minor amendments.

The risk appetite categories and the PR&U are reviewed annually after the Board strategy and budget have been approved and the appropriate KRIs and tolerances are then set. The associated KRIs and tolerances are monitored at each Committee meeting.

Risk reporting

Risk reporting is included in the Group's Quarterly CRO report. This includes details of underlying KRIs mapped to the risk appetite categories and the PR&U, a summary of all the Group's risks and controls, breaches, risk events and emerging risks.

Combined Assurance Model

The purpose of the Combined Assurance Model (CAM) is to monitor the consistency of approach, completeness of coverage and co-ordination of activities of the Risk, Compliance and Internal Audit functions. All of the Group's risks and controls are recorded in the Group's risk register. Each business area is responsible for performing a Risk and Control Self-Assessment (RCSA), reviewing this assessment on an ongoing basis and providing an annual RCSA attestation. Depending on this assessment, the business area will determine whether action is required to improve the controls to ensure the relevant risk is brought back or remains within appetite. The second (Risk and Compliance) and third (Internal Audit) lines of defence then co-ordinate their assurance activities across the key areas of risk across the Group. The assurance output has been reviewed by the Committee, in conjunction with the Audit Committee, over the course of the financial year. The annual risk and compliance plans are reviewed and approved taking into consideration the findings from the CAM.

Operational resilience

The Group has tracked initiatives to further improve the Group's operational resilience, including improving the Group's disaster recovery capabilities. In respect of key cyber threats, the Committee reviewed information from internal subject matter experts on the strength of corresponding key controls. The Committee also sought assurance and cyber security threat testing from third-party cyber security companies to ensure the Group's cyber defences are working appropriately.

Whistleblowing

The Group promotes a culture of openness with its employees and where there are concerns, encourages them to utilise the various means available to speak up. The Group recognises that employees may not feel comfortable reporting their concerns through an internal channel and therefore provides access to an external whistleblowing service. A formal whistleblowing policy is in place and was reviewed by the Committee in November 2023 alongside the annual whistleblowing report for consideration.

At the time of the review, Simon Turner, who was Chair of the Committee until 31 March 2024 at which point he stepped down from the Board, also held the role of the Whistleblowing Champion and was responsible for overseeing the integrity and effectiveness of the regime. When Simon stepped down from the Board, the responsibility for overseeing the adequacy of whistleblowing arrangements in the business moved to the Audit Committee and subsequently, Eamonn Flanagan, Chair of the Audit Committee, was appointed the Whistleblowing Champion.

Client money and assets

The Committee reviews a quarterly Client Assets Sourcebook (CASS) report, which details the effectiveness of systems and controls for CASS and progress on the ongoing initiatives to automate and improve the Group's CASS processes.

Task Force on Climate-related Financial Disclosures (TCFD)

The Committee has reviewed the Group's material climate-related risks and opportunities and climate-related scenario analysis.

Financial crime

The Committee received and reviewed its annual report from the Money Laundering Reporting Officer (MLRO) in March 2024 which confirmed the Group's anti-money laundering and fraud controls are adequate. The Group is devoting additional resources to further improve its fraud control environment. The Committee monitors the effectiveness of the Group's anti-money laundering and fraud systems as part of its quarterly risk reporting and bi-annual financial crime deep dives.

Data protection

The Committee received and reviewed the annual report from the Data Protection Officer (DPO) in March 2024. A Data Forum is in place to oversee the ongoing maturity of the data protection and privacy framework.

ICARA

The Group has conducted ICARA scenario workshops with subject matter experts (SMEs) from across the Group to assess the material harms that the Group and its customers may be exposed to. Non-Executive Director meetings have been held with SMEs to assist in the review and challenge process. The Committee convened in July to review and challenge the output, with the revised output being subject to further review and challenge by the Committee in September. The Committee has also reviewed stress testing, recovery planning and wind-down planning assessments.

Executive performance and risk taking

The Committee reviews any relevant events where material failures or poor performance contributed to, or failed to prevent, the crystallisation of risk. Any such matters are referred to the Remuneration Committee for consideration of adjustment to annual bonus awards, where appropriate. No incidents and issues arose in the year due to disregard of risk management practices, misconduct or excessive risk taking.

Committee evaluation

The Committee participated in the external Board effectiveness review in the months leading to May 2024. The outcome of the review was presented to the Committee in July 2024, which confirmed the Committee is operating effectively.

Risk & Compliance Committee priorities for 2024/25

The Committee will continue to focus on any emerging risks that may materialise. Key areas of focus over the next financial year will be monitoring the continued embedding of the Consumer Duty, reviewing continued enhancements to financial crime and fraud controls, monitoring risk exposure versus appetite, and continuing to work collaboratively with the Audit Committee to refine and embed the Combined Assurance Model.

Fiona Fry
Chair of the Risk & Compliance Committee
4 December 2024

Margaret Hassall

Chair of the Remuneration Committee

Committee attendance

The Committee meets at least twice a year and may meet at other times as agreed by the Chair or at the request of another member of the Committee.

Member	Position	Meetings attended / Eligible meetings[1]
Margaret Hassall	Committee Chair	5/5
Fiona Fry[2]	Non-Executive Director	2/3
Fiona Clutterbuck[3]	Non-Executive Chair	4/4
Eamonn Flanagan[3]	Non-Executive Director	3/4
Evelyn Bourke[4]	Non-Executive Director	1/1
Julie Chakraverty[4]	Non-Executive Director	1/1
Simon Turner[5]	Non-Executive Director	1/1

1. Including ad hoc meetings.
2. Fiona Fry joined the Remuneration Committee on 22 May 2024. She was unable to attend a meeting arranged at short notice.
3. Fiona Clutterbuck and Eamonn Flanagan stepped down from the Remuneration Committee on 11 July 2024. Eamonn was unable to attend an ad hoc meeting arranged at short notice.
4. Evelyn Bourke and Julie Chakraverty joined the Remuneration Committee on 11 July 2024.
5. Simon Turner stepped down from his position of Non-Executive Director on 31 March 2024.

The Company Secretary is secretary to the Committee. The Chief Executive Officer, Chief Financial Officer, HR Director and our external advisers, Deloitte, are also routinely invited to attend Committee meetings. No Director was present during the meeting where their own remuneration was discussed.

Dear shareholder

As Chair of the Remuneration Committee, I am pleased to present the Directors' Remuneration report for the year ended 30 September 2024. We also present our proposed Directors' Remuneration Policy (the 'Policy') which, in line with regulations, will be subject to a binding vote at the 2025 AGM. This report therefore sets out the Policy, details of the approach to the implementation of the Policy in the forthcoming year (subject to shareholder approval) and amounts earned in respect of the 2024 financial year.

The report provides a comprehensive overview of the structure of our remuneration framework and its alignment with the business strategy and the rest of the workforce. Additionally, it sets out how the Committee has addressed its responsibilities during the year and explains the rationale for our decision making.

Business context

AJ Bell has consistently demonstrated the strength of its dual-channel platform and diversified revenue model. This has delivered strong financial returns for shareholders, whilst also supporting continued investment into our brand, technology and products to deliver on our significant growth opportunity.

Our platform now serves over half a million customers with platform AUA now standing at a record £86.5 billion, up 22% over the last year. Our investments business also continues to go from strength to strength with AUM reaching £6.8 billion, a 45% increase on the prior year. We are committed to investing in support of our long-term growth ambitions – AJ Bell's brand awareness has improved, and we continue to enhance our customer proposition, including the recent launch of our Ready-made pension and the lowering of charges for customers from 1 April. Lastly, a new capital allocation framework has been approved which reinforces our commitment to targeting further growth in our annual ordinary dividend. We have increased our dividend for the 20th successive year and initiated a share buyback programme to return up to £30 million of surplus capital to shareholders.

We continue to see significant opportunities for growth in the platform market and believe we are well-positioned to capitalise on these in both the advised and D2C segments and to further increase our market share.

As explained later in the report, the Committee took this strong performance into consideration when discussing and approving incentive outcomes.

EIP outcomes for FY24

This year has seen strong results in all areas, with revenue increasing by 23% to £269.4 million and PBT up to £113.3 million, representing a 29% year-on-year growth rate. This growth has been driven by strong net AUA inflows of £6.1 billion and a 14% increase in platform customers, outperforming target thresholds.

In considering the extent to which the Executive Directors' EIP awards vested, the Committee assessed performance against the targets set alongside the findings of the CRO risk report, in which no adverse findings were reported. The Committee also considered relevant external market conditions and the quality of earnings delivered.

Based on the Committee's assessment, Michael Summersgill's EIP awards as CEO vested at 74%, Peter Birch's as CFO at 74% and Roger Stott's as COO at 65% of maximum. Further details of the outcomes can be found on pages 113 to 115 of the Annual Report on Remuneration.

The Committee is satisfied that our Executive Directors have continued to deliver tangible and substantial benefits for the business and our shareholders, and have delivered strong performance against stretching targets, as our results attest.

Review of Remuneration Policy and reward principles

When our current Directors' Remuneration Policy was approved at the 2023 AGM with over 98% of votes in favour, we acknowledged that the positioning of the packages for our Executive Directors had fallen behind the market. We have sought to address our low market positioning over the last few years in a considered way. In particular:

- The current Policy introduced a higher incentive opportunity under the EIP (270% for the CEO and 250% for the CFO and COO) for more stretching performance.
- Peter Birch's salary was increased from £310,000 to £385,000 last year, positioning his fixed pay at the lower quartile of FTSE 250 financial services companies (excluding banks). This increase reflected his strong personal performance and contribution since he joined AJ Bell on 1 July 2022 and the increased scope and responsibilities of his role, having assumed responsibility for both the Treasury and HR functions.

At the time we reviewed our Remuneration Policy in 2022, we stated that the Committee intended to keep Executive Director remuneration under review in future years to ensure we can continue to attract and retain the calibre and experience of individuals needed to deliver the Group's growth ambitions.

As we have taken a phased and prudent approach, we have faced several challenges in terms of senior management recruitment and retention due to our low market positioning, which have been highlighted following changes in the composition and membership of both our Board and executive team and associated recruitment activity undertaken. The feedback we received from several recruitment partners during the year indicated that our low pay positioning was preventing us from attracting the widest pool of potential talent for our business. Furthermore, some candidates had ruled themselves out of our recruitment processes as we could not meet their package expectations. Fortunately, this year we have still been able to fill positions with high calibre candidates who have joined the business attracted by our reputation, strong culture and growth ambitions.

The packages for the Executive Directors and senior executive team remain below lower quartile compared to other FTSE 250 financial services companies (excluding banks). Our variable pay remains significantly out of line with the market for some senior roles in terms of both quantum and cashflow, particularly given our peers deliver part of their annual bonus in cash.

As a result, the Committee concluded that it was appropriate to review the market competitiveness of our Directors' remuneration packages. In reviewing the remuneration packages, we seek to address our low market positioning through increasing the variable elements which are subject to performance, further aligning the interests of the Executive Directors with shareholders. Taking a phased approach, as we have done previously, was not considered appropriate at this time for a number of reasons. Firstly, as the changes are considered to be modest relative to market maximum compensation levels. Secondly, phasing would not enable us to address the disparity in our pay positioning relative to market within an appropriate timescale, and potentially cause us to fall further behind.

Following this review, we are asking shareholders to approve a new Directors' Remuneration Policy at the AGM in 2025, a year earlier than required. At that AGM, we will also be asking shareholders to approve amendments to the EIP so that it is aligned with the new Directors' Remuneration Policy.

Summary of proposed changes to AJ Bell's Remuneration Policy

Since our IPO in December 2018, we have operated a single incentive plan, the EIP, which was considered appropriate given the nature of our business model where a high proportion of operating profit is converted into cash in the year that it is generated.

This approach received very high levels of support from shareholders when the policy was established and subsequently renewed. However, during the Committee's policy review, alternative incentive arrangements were considered including separate long-term incentive models.

We concluded that the EIP remains appropriate given the nature of AJ Bell's business, noting also that the plan maintains alignment with the long-term goals of shareholders as EIP performance targets measure both in-year performance and actions taken to support long-term sustainable value creation. However, we will continue to keep this under review in the coming years.

In a competitive market, talent attraction and retention is a key priority for AJ Bell. As such, we consider it essential to make the following changes to the operation of our EIP for senior management for FY25 so that our remuneration offering remains competitive and that we are seen as an employer of choice:

- Increase the maximum EIP limit within the Policy from 270% to 400% of salary. This will provide additional headroom for improving our competitive positioning and takes into account the increases being made to below Board participants of the EIP. For FY25, the maximum EIP award will be increased from 270% to 400% of salary for the CEO and from 250% to 350% of salary for the CFO. Taking into account the impact of these changes, the total incentive opportunity will still be towards the lower end of the market for total incentive opportunity relative to our FTSE 250 financial services peer group. The Committee considers this peer group to be the most appropriate comparator group of companies within our industry (with banking organisations excluded) with a similar size and complexity (AJ Bell's market capitalisation is around the median of this group)[1].
- Increase the deferred element from 60% to 67% of the total EIP award for Executive Directors, with the annual award reducing from 40% to 33% of the total EIP award.
- Change the annual award to a payment in cash, replacing the current approach of the annual award being made entirely in shares. This removes the impact of short-term share price fluctuations on annual awards and moves our cash compensation closer towards market norms, given annual bonuses across the market are typically delivered in cash rather than shares. This change addresses the current lack of a cash component of variable pay.
- Increase shareholding guidelines in line with the maximum EIP quantum (i.e. for FY25, 400% of salary for the CEO and 350% of salary for the CFO), further aligning the interests of the Executive Directors with those of shareholders. It should be noted that our Executive Director shareholding guidelines are already at market leading levels of 350% of salary for the CEO and 300% of salary for the CFO.

The proposed Policy retains the following best practice features aligned to shareholder interests:

- Using a balanced scorecard of performance measures (including both financial and non-financial) that are focused on delivering long-term sustainable performance (with targets measuring in-year performance and actions taken to support long-term sustainable value creation). Whilst performance is assessed over a single financial period, multi-year performance is reflected through a significant proportion being deferred and subject to a robust performance underpin.

The measures linked to the KPIs and strategy of the business, over the financial year ending 30 September 2025 as set out below:

Financial (35% weighting)	Growth and non-financial measures (40% weighting)	Strategic initiatives (25% weighting)
Revenue PBT PBT margin	AUA inflows Customer retention Customer experience Staff engagement	Including but not limited to: The delivery of key projects in the year

- On-target performance will result in 50% of the EIP award vesting. Maximum vesting will continue to require significant out-performance, taking into account internal and external forecasts and market conditions. The Committee will also ensure that the outturn reflects the underlying performance of the business.
- Retention of the five-year timeframe for the deferred share element.
- Post-cessation shareholding requirement aligned with best practice.

We consider that this, together with our clear and robust framework for setting targets and for measuring and assessing performance objectively, allows us to reward executives appropriately for both their own contribution and the performance of the Group. The Committee retains the discretion to override mechanical assessment ratings if it considers them to have resulted in inappropriate award outcomes and has, on occasion, exercised such discretion.

1. The constituents of the comparator group are abrdn, Ashmore, Bridgepoint, Caledonia Investments, CMC Markets, Direct Line, Hiscox, IG Group, Integrafin, IP Group, JTC, Jupiter Fund Management, Just Group, Lancashire Holdings, Man Group, Molten Ventures, Ninety One, Plus500, Quilter, Rathbones, Law Debenture Corporation, TP ICAP and Witan Investment.

When exercising its discretion, the Committee takes into account a report from the Chief Risk Officer on whether any undue risk is considered to have been taken to achieve objectives.

The performance graph and historical CEO remuneration outcomes on page 117 demonstrate that the EIP has been successful in rewarding long-term sustainable Company performance.

Board and senior management changes

As announced on 10 September 2024, our COO Roger Stott will be retiring and stepping down as an Executive Director on 31 December 2024. He will receive payments in respect of salary, pension and benefits until his six-month notice period ends and his outstanding deferred awards will continue to vest in full at the normal time as a good leaver in line with the current and proposed Remuneration Policies, subject to the achievement of the performance underpins applicable to each award. The relevant holding periods on these awards would also continue to apply. He will not participate in the FY25 EIP.

The CFO, Peter Birch, and Chief Technology Officer, Mo Tagari, will assume the FCA Senior Manager Function responsibilities of the Chief Operations Function (SMF 24) subject to regulatory approval. Peter continues to serve on the Board as an Executive Director, having been appointed as CFO in 2022.

AJ Bell also welcomed to the Board Fiona Fry on 7 December 2023, and Julie Chakraverty on 1 June 2024 as Non-Executive Directors. Fiona has assumed the role of Chair of the Risk & Compliance Committee, succeeding Simon Turner who stepped down as Non-Executive Director on 31 March 2024 following nine years' service on the Board.

Executive Director fixed pay increases for FY25

As part of the remuneration review, we have also reviewed fixed pay for our Executive Directors. Whilst base salaries for Executive Directors remain materially below market, the Committee is pleased to propose a salary increase for Michael Summersgill and Roger Stott for FY25 of 3% in line with the standard increase for the wider workforce.

A 10% salary increase is proposed for Peter Birch, from £385,000 to £425,000 recognising the current low market positioning and significant additional responsibilities being assumed by Peter following the retirement of Roger Stott. Peter's base salary after the change will be positioned between lower quartile and median.

Executive Directors will also benefit from the 1% pension contribution uplift and the removal of the employer pension cap which were implemented on 1 October 2024 for the wider workforce.

Impact of changes on total compensation

The Committee is mindful of the impact of the proposed increases on the value of the total remuneration package. The changes outlined above are still considered to be modest considering maximum compensation levels relative to the market.

Compared to FTSE 250 financial services companies (excluding banks) the total remuneration for our Executive Directors will be positioned between lower quartile and median. The Committee intends to keep this under review in future years to ensure we can continue to attract and retain the calibre and experience of individuals needed to deliver the Group's growth ambitions.

The Committee believes that the above changes are consistent with our aim to reward appropriately strong long-term performance and are, therefore, in the best interest of the Company's shareholders. AJ Bell is a high-performing business, and we believe that increasing the remuneration packages of our top executives is necessary to help us retain our leadership talent.

Chair and Non-Executive Director Remuneration for FY25

Under delegated authority from the Board, the Executive Directors and the Chair have reviewed fees for the other NEDs taking into account the increased scope of their roles, responsibilities and time commitments. The Chair fee was reviewed by the Remuneration Committee.

The NED base fee agreed for FY25 is £70,000, which brings the fee in line with the median of the market compared to FTSE 250 financial service companies (excluding banks). NED fee increases for FY26 are not expected to exceed the standard increase for the wider workforce.

The Chair fee for FY25 will increase by 3% (from £225,000 to £231,750) in line with the standard increase for the wider workforce, with a marginal increase to the SID fee to £15,000. No changes are being made to the Committee Chair fees.

Engagement with shareholders

We are committed to maintaining an open and transparent dialogue with our shareholders. We have consulted the Company's top shareholders representing c. 71% of the share register and the main proxy voting advisory agencies on the new Policy and our Executive Director remuneration arrangements. We met with shareholders who wished to discuss the proposals in more detail and responded in writing to those requesting more information. Of the shareholders consulted, the majority gave positive feedback regarding the proposed changes to the Remuneration Policy.

As part of the consultation exercise, a number of shareholders requested further information on how the proposed quantum was determined and how we consider longer-term performance. As noted on the previous page, the proposed quantum is still towards the lower end of market compared to our peers. With respect to longer-term performance, the proposed scorecard provides a balance between measuring achievements in the year and rewarding actions for delivering sustainable long-term growth (such as AUA inflows and customer retention). The Committee's consideration of the vesting of the deferred awards takes into account a number of factors including the relative Total Shareholder Return (TSR) performance of the company.

The Committee considered this feedback and made no changes to the proposals.

Alignment with wider workforce

Pay and benefits

The Committee reviews information on wider workforce remuneration, provided by the HR Team, which oversees the annual pay review and performance review process. Executive remuneration and other employees' salaries are reviewed following the same process and include both fixed and performance-related elements. This process includes benchmarking against similar financial services organisations and considers factors such as local recruitment conditions.

Over the past two years, we have committed to a cumulative >20% increase in staff reward in response to external conditions such as the cost of living and recruitment competition, as well as enhancements the Company has decided to make to its pay and benefits offer.

A new pay framework was implemented on 1 April 2024 with more than 400 employees receiving an average increase of 6.7% from that date (in addition to the 5% increase in October 2023).

The standard base salary increase for FY25 (effective 1 October 2024) is 3% plus an additional 1% pension contribution uplift, with enhanced increases for approximately 25% of staff where their pay may have fallen below appropriate levels or in recognition of high performance.

This means that the average pay award given to staff was c. 4%. During the year 99% of the wider workforce below Board and Executive Committee level also received a bonus award.

All staff will also be eligible to receive their annual free share award of up to £2,000 based on strong company performance.

Alongside the annual free share award, we operate a Buy As You Earn scheme for all staff in which they can buy shares in the company out of pre-income tax and National Insurance pay, within HMRC-approved limits. During the year approximately 30% of our workforce actively participated in the plan.

Our share schemes hold significant value for our staff and support our reward principle by enabling everyone to share in the growth in value of the Company through equity participation; helping to aid staff retention and to align the interests of our wider workforce with those of our shareholders.

We are also enhancing our family friendly benefits for our workforce in FY25, including up to five days paid leave for employees undergoing fertility treatment.

Employee Voice Forum (EVF)

Positive, meaningful staff engagement is key to realising our strategic objectives. The EVF enables staff to understand emerging themes in the business and allows the voice of staff to be heard within the Board's decision-making process.

The EVF met throughout the year to discuss several topics including our employee value proposition, which touched on pay and progression, and the role of AI in the workplace. We also engaged with the staff via our intranet to raise awareness and invite feedback on the work of the Remuneration Committee, including how executive pay is set and aligned with the wider company pay policy.

We took part in the Great Place to Work survey for the first time this year, giving staff the opportunity to tell us how it feels to work at AJ Bell.

We are pleased to report strong results, being certified as a Great Place to Work with a total score of 83%, well in excess of the 65% accreditation threshold, placing us amongst the best large companies in the country.

Gender pay

Our latest gender pay data published in 2024 reflects the position as at April 2023. It is encouraging to see that our mean and median gaps for pay and bonuses paid have continued to improve.

This reflects the progress we are making in addressing the gender profile of our workforce and is a continuation of the work we have been doing for the past several years, supporting more women to progress into senior roles in all areas of the business. For example, this year through internal succession planning we saw the promotion of Kina Sinclair onto our Executive Committee as Group Legal Director.

The Group's gender pay gap report can be found at **ajbell.co.uk**.

CEO pay ratio

The median ratio for the CEO's salary and total remuneration compared to our employees was 17:1 and 57:1 respectively and further details can be found on pages 118 and 119 of the Annual Report on Remuneration. The median ratio for the CEO's salary is the same as last year's figures and the increase in the total remuneration ratio reflects the increase in the maximum EIP opportunity and the strong performance delivered in FY24.

A significant proportion of the CEO's pay is in the form of variable pay through the EIP. As a result, the CEO pay will vary year-on-year based on Company and share price performance, as will the CEO to all-employee pay ratio.

Share plan proposals at the AGM

As referred to on page 99, at the 2025 AGM shareholders will also be asked to approve amendments to the EIP.

The proposed amendments to the EIP will reflect the new Policy (for example the higher EIP opportunity, and the payment of the annual awards in cash) and the intended operation of the EIP. At the AGM we will also be asking shareholders to approve amendments to our Senior Manager Incentive Plan (SMIP). This is a separate incentive plan which was approved at the 2023 AGM and which is used to incentivise and retain key employees below executive management level and in which the Executive Directors are not eligible to participate. The Notice of AGM will include a summary of the proposed changes to both the EIP and the SMIP.

Shareholder views

I would like to thank our shareholders and investor bodies for their continued support and engagement during the year. As we considered our proposals for the new Policy, the Committee had the opportunity to consult with institutional shareholders representing more than 70% of the shares in the Company. The Committee is grateful to shareholders for the time and input during the consultation process and positive feedback we received, which has greatly contributed to a more robust decision-making process.

We recognise that our pay positioning has fallen behind the market for our Executive Directors, and seek to address this through increasing the variable element of pay which is subject to performance. These changes are considered necessary for retaining and attracting top talent needed to deliver the Group's growth ambitions, whilst remaining aligned with the long-term goals of shareholders.

I welcome feedback at any point in time from our entire shareholder base regarding our Policy and its application, and I hope that we will earn your support at the forthcoming AGM.

Yours sincerely

Margaret Hassall
Chair of the Remuneration Committee
4 December 2024

Introduction

The Group's proposed new Directors' Remuneration Policy (the 'Policy') is set out following this introduction and the summary of the alignment of the Policy with the UK Corporate Governance Code.

The Policy has been determined by the Company's Remuneration Committee (the 'Committee'). The Policy is aligned with our reward principles, set out below, which apply throughout the Group:

Alignment with our culture and growth strategy	• Aligned with our purpose, principles and strategy promoting our culture and long-term sustainable value creation. • Executives and wider workforce to share the growth in value of the Company through equity participation.
Supporting talent attraction and retention	• Market-competitive base salaries and benefits which reflect the size and complexity of the business and the calibre and experience of individuals in each role. • Recognise and reward strong performance and individual contribution, with an appropriate proportion of package linked to financial and non-financial performance.
Simple and transparent	• Approach to reward that is well understood. • An incentive plan (EIP) for Executive Directors and Executive Committee which is designed to promote long-term sustainable value creation.
Good governance and risk management	• Following good corporative governance and regulatory requirements. • In line with the Company's risk appetite and risk management framework, including having taken into consideration environmental, social and governance risk factors.

The approach taken by the Committee to the determination of the new Policy and the differences between the new Policy and the policy approved by shareholders at the 2023 AGM are described in the statement from the Remuneration Committee Chair earlier in this Directors' Remuneration Report.

Alignment with the UK Corporate Governance Code

In determining our Policy, the Committee addressed the following six principles, as set out in the UK Corporate Governance Code:

Clarity	• The Remuneration Policy has been designed with a clear and robust framework for setting targets and for measuring and assessing performance objectively, aligned to our business model / cycle, to ensure we reward executives appropriately for both their own contribution and the performance of the Group. • Our Policy clearly aligns the interests of the Executive Directors, senior management and employees with those of shareholders and wider stakeholders, as well as our purpose, guiding principles and strategy.
Simplicity	• We operate a single incentive plan for our Executive Directors, the EIP, which is designed to promote and reward long-term sustainable Group performance.
Risk	• Our approach aims to ensure that remuneration and incentives adhere to the principles of good corporate governance and the FCA Remuneration Code, and support good risk management practice. • Malus and clawback provisions apply to executive rewards. • Deferred awards are also subject to a performance underpin which is linked to the underlying performance of the Group, risk management, conduct and compliance over the three-year deferral period. • The Committee retains discretion to override mechanical assessment ratings to take account of performance and / or wider circumstances, which could include any concerns over risk management.
Predictability	• All executives are set clear financial and non-financial targets at the start of the year. • For Executive Directors, two-thirds of the EIP awards will be delivered in shares with awards granted at the start of the financial year based on the share price at the date of grant.
Proportionality	• Executives are assessed against financial and non-financial objectives, which are based on long-term sustainable performance. • The Committee retains the discretion to override mechanical assessment ratings, to take account of performance and / or wider circumstances.
Alignment to culture	• A proportion of executive awards are based on non-financial performance objectives aligned with our purpose, principles and strategy, including those specifically related to our culture such as staff engagement.

The Policy

This part of the Directors' Remuneration Report sets out the Group's Directors' Remuneration Policy (the 'Policy'), which, subject to shareholder approval at the 2025 AGM, will take binding effect from the close of that meeting.

Policy for Executive Directors

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary	Core element of fixed remuneration reflecting the individual's role and experience.	The Committee ordinarily reviews base salaries annually taking into account a number of factors including (but not limited to) the value of the individual to the business, the scope of their role, their skills, experience and performance. The Committee also takes into consideration: • pay and conditions of the workforce generally; and • Group profitability and prevailing economic conditions.	Whilst the Committee does not set a maximum permissible base salary, it does have regard to relevant comparators in approving salary levels. Increases will not normally exceed the range of salary increases awarded (in percentage of salary terms) to other employees of the Group. However, higher increases may be awarded in appropriate circumstances, such as: • on promotion or in the event of an increase in scope of the individual's role or responsibilities; • where an individual has been appointed to the Board at a lower-than-typical market salary to allow for growth in the role, in which case larger increases may be awarded to move salary positioning to a typical market level as the individual gains experience; • change in size and / or complexity of the Group; and / or • significant market movement. Increases may be implemented over such period as the Committee deems appropriate.	Whilst no performance conditions apply to fixed remuneration, an individual's performance in role is taken into account in determining any salary increase.
Benefits	To provide fixed remuneration on a market-competitive basis to enable the retention of Executive Directors to deliver the Company's strategy.	Benefits include medical cover for the Executive Director and their spouse and dependent children and life assurance scheme. Other benefits may be provided based on individual circumstances, which may include company car or allowance, relocation costs or allowances, travel and accommodation expenses. Reimbursed expenses may include a gross-up to reflect any tax or social security due in respect of the reimbursement.	The Committee has not set a maximum on the level of benefits Executive Directors may receive. The value is set at a level which the Committee considers to be appropriate taking into account the nature and location of the role and individual circumstances.	Not applicable.
Retirement benefits	To provide a competitive means of saving to deliver appropriate income in retirement.	An Executive Director may receive a salary supplement in lieu of some or all of the contributions that would otherwise be made to a pension scheme. The Company may make a contribution to a defined contribution scheme or a personal pension.	The maximum value of any employer pension contributions (or cash in lieu of a pension contribution) for Executive Directors will be aligned to the rate available to the majority of the wider workforce, as determined by the Committee. In addition, Executive Directors may be permitted to sacrifice other elements of remuneration and receive an equivalent contribution to a pension scheme.	Not applicable.

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
EIP	To reward achievement of the Group's business plan, key performance indicators and the personal contribution of the Executive Directors. Aligns the interests of Executive Directors with those of shareholders and rewards long-term stewardship of the Company. Delivery of a significant proportion of the award in shares with a performance underpin and the ability to apply malus adjustments and clawback further support longer-term alignment with shareholders' interests.	The EIP is a combined annual and long-term incentive plan under which both annual awards and deferred awards may be granted. An annual award will usually be satisfied in cash. Deferred awards may be granted in the form of conditional awards of shares or nil (or nominal) cost options to acquire shares. Deferred awards may be settled, in whole or in part, in cash or granted as a right to receive a cash amount calculated by reference to a number of notional shares, although, for Executive Directors, the Committee would only do so where the particular circumstances made this the appropriate course of action (for example where a regulatory reason prevented the delivery of shares). Following the end of the performance period, the Committee will determine the extent to which the performance condition has been satisfied and whether it is appropriate to adjust the extent to which annual awards and deferred awards will be released to take account of performance and / or any other factors the Board considers relevant. An annual award will normally be satisfied in cash following the assessment of the performance condition. A deferred award will normally vest (so that the participant is entitled to acquire shares subject to it) following the end of a deferral period starting on the date on which the performance condition is assessed and ending in the fourth year after the start of the performance period. Deferred awards will also be subject to a holding period which shall normally end in the fifth year after the start of the performance period. During the holding period, the participant may not normally deal with shares acquired pursuant to the deferred award other than to satisfy a tax liability relating to the award or with the permission of the Committee.	An Executive Director may not be granted awards under the EIP in respect of any financial year with a value in excess of 400% of base salary. For the purposes of this limit, the value of shares subject to a deferred award will normally be based on the five-day average share price immediately preceding the date of grant, unless the Committee determines otherwise. Ordinarily, the annual award may not account for more than one-third of the total value of the EIP award (including both annual and deferred awards) granted to an Executive Director in respect of a financial year.	Performance measures include a range of financial and non-financial factors to encourage long-term value creation for shareholders. Awards will be assessed against a combination of financial, non-financial / strategic and individual measures, usually measured over a one-year period. At least 50% of the EIP opportunity is based on financial and / or growth measures and / or a relative performance measure. Vesting will be determined between 0% and 100% depending upon the Committee's assessment of the extent to which the performance targets have been achieved. Up to 25% of the maximum award granted may vest at the end of the performance period for delivering a threshold level of performance. Up to 50% of the maximum award granted may vest at the end of the performance period for delivering appropriately stretching on-target performance. Deferred awards will be subject to performance underpins linked to the underlying performance of the Group, risk management, conduct and compliance over the deferral period. The underpin performance conditions applicable to a deferred award will be disclosed in the Directors' Remuneration Report.
All-employee share plans	The Buy As You Earn (BAYE) scheme creates staff alignment with the Group and provides a sense of ownership. Executive Directors may participate in the BAYE scheme and / or in any other all-employee share plan that may be introduced from time to time.	The Executive Directors may participate in all sections of the BAYE scheme, being the partnership and matching section and the free share section. Any other all-employee share plan would be operated for Executive Directors in accordance with its rules and on the same basis as for other qualifying employees.	The limits on participation under the BAYE scheme will be those set in accordance with the applicable tax legislation from time to time. The limit on participation and other relevant terms of any other all-employee share plan would be determined in accordance with the plan rules (and, where relevant, applicable legislation) and would be the same for the Executive Directors as for other relevant employees.	Not subject to performance conditions in line with typical market practice.

Dividend equivalents

For deferred awards granted under the EIP, additional shares may be delivered in respect of shares subject to deferred awards to reflect the value of dividends paid during the deferral period. This payment may assume that dividends had been reinvested in shares on such basis as the Committee determines.

Recovery provisions (malus and clawback)

Malus and clawback provisions may be applied in the event of:

- participation in or responsibility for conduct resulting in significant loss to a Group company;
- failure to meet appropriate standards of fairness and propriety including fraud, material dishonesty or material wrongdoing;
- bringing the Company into material disrepute or acting in a way which is materially adverse to a Group company;
- breaches of the employment contract that give potentially fair reason for dismissal;
- discovery of an event, post-cessation of employment, that would have prevented the vesting or grant of an award had the Company been aware of the event;
- error in determining an award or assessing the performance condition;
- material misstatement in financial information that was taken into account when determining an award or assessing the performance condition;
- material failure of risk management;
- misbehaviour or material error on the part of the participant; and
- any Group company or a relevant business unit suffering a material downturn in its financial performance.

In the case of annual awards, malus and clawback provisions may be applied up to the fourth anniversary of the end of the performance period and in the case of deferred awards up to the end of the holding period. If the relevant award has vested or been exercised, the clawed back amount may be recovered from the recipient.

Explanation of performance metrics

Performance is measured against a balanced scorecard to support the Company's strategy.

The targets are set by reference to strategic objectives.

Deferred awards are subject to performance underpins that are designed to protect shareholder value and which are aligned to appropriate long-term behaviours including risk management, conduct and compliance. The Committee will consider the underlying performance of the Group over the deferral period (which may be on a relative and / or absolute basis).

The Committee may vary or substitute any performance measure or underpin if it considers that it would be appropriate to do so (including taking account of acquisitions or divestments, a change in strategy or a change in prevailing market conditions), provided that any such variation or substitution is fair and reasonable and (at the discretion of the Committee) the change would not make the measure less demanding than the original measure would have been when originally set. If the Committee were to make such a variation, an explanation would be given in the next Directors' Remuneration report.

Operation of share plans

The Committee may amend the terms of awards and options under the Company's share plans in accordance with the plan rules in the event of a variation of the Company's share capital or a demerger, special dividend or other similar event or otherwise in accordance with the rules of those plans. The Committee may operate any such plan in accordance with its rules.

Shareholding guidelines

To align the interests of the Executive Directors with those of shareholders, the Committee has adopted formal shareholding guidelines, which apply both during and after employment. The Committee retains discretion to vary the application of the guidelines in appropriate circumstances.

During employment, Executive Directors are expected to retain all shares acquired through the EIP deferred awards (after sales to cover tax and any exercise price) until such time as their holding has a value equal to the normal annual EIP award (being 400% of salary in the case of the CEO and 350% of salary in the case of the CFO). Shares subject to EIP awards for which the performance conditions have been assessed but have not vested (that is which are in a deferral period or a holding period) or which have vested but have not been exercised count towards the guidelines on a net of assumed tax basis.

The Committee has also adopted a formal post-cessation shareholding requirement. This requires that for 24 months following cessation (or, if the Committee so determines, following the date on which an Executive Director steps down from the Board), an Executive Director must retain such of their 'relevant' shares as have a value (as at cessation) equal to their shareholding guideline. If the Executive Director holds less than the required number of 'relevant' shares at any time they must retain the 'relevant' shares they hold.

Shares which the Executive Director has purchased, or which were held at the date of admission to the London Stock Exchange are not 'relevant' shares for these purposes.

Policy for Non-Executive Directors

Purpose and link to strategy	Operation	Opportunity
To provide fees within a market-competitive range reflecting the individual responsibilities of the role and the expected time commitment. To reimburse where appropriate out-of-pocket expenses which are relevant to the requirements of the role.	The fees of the Chair are determined by the Committee and the fees of the Non-Executive Directors are determined by the Board. Non-Executive Directors are not eligible to participate in any of the Company's share plans, incentive schemes or pension schemes. Non-Executive Directors (including the Chair) may claim expenses in line with the Company's expenses policy for out-of-pocket expenses incurred in the fulfilment of their responsibilities. Reimbursed expenses may include a gross-up to reflect any tax or social security due in respect of the reimbursement. The Chair and Non-Executive Directors may also be eligible to receive benefits such as the use of secretarial support, assistance with the preparation of tax returns, or other benefits that may be appropriate in performance of their duties.	Fees are set taking into account the responsibilities of the role and expected time commitment. Non-Executive Directors are paid a basic fee with additional fees paid for the chairing of Committees. An additional fee is also paid for the role of Senior Independent Director and may be paid for other responsibilities or time commitments. Basic fees are subject to any limit set in accordance with the Company's articles of association or otherwise approved by shareholders. Where benefits are provided to Non-Executive Directors they will be provided at a level considered to be appropriate taking into account the individual circumstances.

Policy for the remuneration of employees more generally

In line with our reward principles which apply throughout the Group we aim to:

- provide market-competitive base salaries and benefits which reflect the size and complexity of the business and the calibre and experience of individuals in each role;
- provide a remuneration package that is competitive and which is appropriate to promote the long-term success of the Company;
- recognise and reward strong performance and individual contribution, with an appropriate proportion of package linked to financial and non-financial performance; and
- enable executives and the wider workforce to share the growth in value of the Company through equity participation.

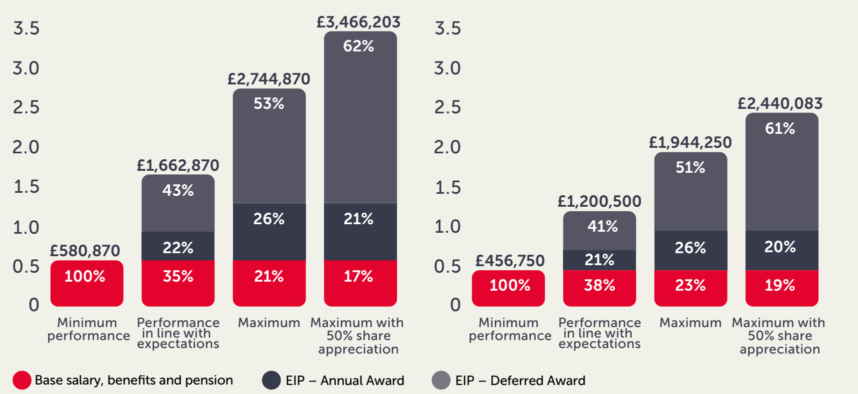
In respect of the Executive Directors, a greater proportion of the remuneration package is 'at risk' and determined by reference to performance conditions.

Illustrations of application of the Remuneration Policy

The following charts provide an illustration, for each of the CEO and CFO, of the application of the Policy in the year ending in September 2025. The charts show the split of remuneration between fixed pay (that is base salary, benefits, employer pension contributions / salary supplement), EIP pay on the basis of minimum remuneration, remuneration receivable for performance in line with AJ Bell's expectations and maximum remuneration. No chart is prepared for the COO having regard to the fact that he will be retiring and stepping down as an Executive Director of the Company on 31 December 2024.

Michael Summersgill
Illustrations of Remuneration Policy (m)

Peter Birch
Illustrations of Remuneration Policy (m)



In illustrating the potential reward, the following assumptions have been made.

Fixed pay:

Base salary (being the latest known salary as at 1 October 2024), a pension contribution of 7% of salary and benefits are disclosed in the single figure table later in this Directors' Remuneration report for the 2024 financial year.

Executive Incentive Plan:

Minimum performance	No payout.
Performance in line with expectations	On-target vesting of the annual and deferred elements of the EIP based on an on-target EIP award of 200% of salary for the CEO and 175% of salary for the CFO.
Maximum performance	Maximum vesting of the annual and deferred elements of the EIP based on a maximum EIP award of 400% of salary for the CEO and 350% of salary for the CFO.
Maximum performance with share price appreciation of 50%	Maximum vesting of the EIP with additional 50% share price growth appreciation on the deferred award.

Recruitment remuneration policy

When recruiting a new Executive Director, the Committee will typically align the remuneration package with the elements of the Policy set out in the previous pages.

When determining appropriate remuneration arrangements, the Committee may include other elements of pay which it considers are appropriate. However, this discretion is capped and is subject to the limits referred to below.

Base salary will be set at a level appropriate to the role and the experience of the Executive Director being appointed. This may include agreement on future increases up to market rate, in line with increased experience and / or responsibilities, subject to good performance, where it is considered appropriate. Retirement benefits will be provided in line with the Policy.

The Committee will not offer non-performance related incentive payments (such as a 'guaranteed sign-on bonus', for example).

Other elements may be included in the following circumstances:

- an interim appointment being made to fill an Executive Director role on a short-term basis;
- if exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short-term basis;
- if an Executive Director is recruited at a time in the year when it would be inappropriate to provide an incentive for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis;
- if a Director is required to relocate in order to take up the position, it is the Company's policy to allow reasonable relocation, travel and subsistence payments. Any such payments will be at the discretion of the Committee.

The Committee may also alter the performance measures, performance period, vesting period and holding period of the EIP, if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained in the next Directors' Remuneration report.

The maximum level of variable remuneration which may be granted (excluding 'buyout' awards as referred to below) is 400% of salary.

The Committee may make payments or awards in respect of hiring an employee to 'buyout' remuneration arrangements forfeited in connection with leaving a previous employment or engagement. In doing so, the Committee will take account of relevant factors including any performance conditions attached to the forfeited arrangements and the time over which they would have vested. The Committee will generally seek to structure 'buyout' awards or payments on a comparable basis to the remuneration arrangements forfeited. Any such payments or awards are excluded from the maximum level of variable remuneration referred to in the Policy. 'Buyout' awards will ordinarily be granted on the basis that they are subject to forfeiture or 'clawback' in the event of departure within 12 months of joining AJ Bell, although the Committee will retain discretion not to apply forfeiture or clawback in appropriate circumstances.

Any share awards referred to in this section will be granted as far as possible under the EIP. If necessary, and subject to the limits referred to in the Policy, recruitment awards may be granted outside of these plans as permitted under the Listing Rules which allow for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director.

Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue in accordance with their terms.

Fees payable to a newly appointed Chair or Non-Executive Director will be in line with the Policy in place at the time of the appointment.

Policy on service contracts

Details of the Executive Directors' service contracts and Non-Executive Directors' letters of appointments are set out later in this Directors' Remuneration report.

The Company's current policy is for service agreements with Executive Directors to be capable of termination by either the Company or the Executive Director by the giving of six-months' notice, although the Committee retains discretion to set a notice period of up to 12 months.

Policy on payments for loss of office

The following table summarises the Company's policy on the determination of payments for loss of office by Executive Directors:

Provision	Treatment
Fixed remuneration	Salary / fees, benefits and any retirement benefits provision will be paid to the date of termination.
Payments in lieu of notice	Where a payment in lieu of notice is made, this will include salary, benefits and any retirement benefits provision until the end of the notice period that would otherwise have applied. Alternatively, the Company may continue to provide the relevant benefits. Unless the Committee determines otherwise, amounts will be paid in equal monthly instalments. Mitigation will usually apply.
Executive Incentive Plan	If an Executive Director leaves more than six months after the start of the performance period but before the end of the performance period: • as a consequence of death, ill health, injury, disability or for any other reason at the Committee's discretion (a 'Good Leaver'), annual awards and deferred awards made in respect of that period will usually be apportioned on a time basis and will usually vest at the normal vesting date to the extent that the performance conditions and underpin conditions are satisfied. The Committee may reduce or increase the extent to which an award vests to take account of the underlying financial performance of the Company and other factors the Committee considers relevant and, in compassionate circumstances, may release an award before its normal vesting date. • other than as a Good Leaver, the award will lapse. If an Executive Director leaves during the first six months of the performance period, that Award will lapse unless they are a Good Leaver and the Committee decides that the Award may be retained on the same basis as set out above. If an Executive Director leaves after the end of the performance period but before the normal vesting date: • as a Good Leaver, annual awards and deferred awards will usually vest at the normal vesting date to the extent that the performance conditions and underpin conditions are satisfied. The Committee may reduce or increase the extent to which an award vests to take account of the underlying financial performance of the Company and other factors the Committee considers relevant and, in compassionate circumstances, may release an award before its normal release date and assess any underpin accordingly. • other than as a Good Leaver, awards will only vest at the normal vesting date to the extent that the performance conditions and underpin conditions are satisfied and only in respect of such proportion of the award as determined by the Committee in its absolute discretion.
Other payments	The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. Payments may include, but are not limited to, the amount of any fees for outplacement assistance and / or the Director's legal and / or professional advice fees in connection with their cessation of office or employment and payments in respect of accrued but untaken holiday. Where a 'buyout' or other award is made in connection with recruitment, the leaver provisions would be determined at the time of the award. Payments may be made under any all-employee share plan operated by the Company in line with the rules of the plan which will apply to all participants and which, in the case of any tax-advantaged plan such as the BAYE, will be subject to the requirements of the applicable tax legislation.
Change of control	In the event of a change of control during the performance period applying to an EIP award, the extent to which the awards vest will be calculated by reference to the proportion of the performance period that has elapsed and the extent to which the performance condition has been met or is expected to be met. The Committee has the discretion to reduce or increase the extent to which an award vests to take account of the underlying financial performance of the Company and any other factors the Committee considers relevant. In the event of a change of control after the end of the performance period, awards will become capable of vesting (in respect of the proportion of the award determined by reference to the satisfaction of the performance condition). Alternatively, the Committee may permit awards to be exchanged for equivalent awards (which may be over shares in a different company, including the acquiring company). Awards under any all-employee share plan operated by the Company may vest in line with the rules of the plan in the event of a change of control which will apply to all participants and which, in the case of any tax-advantaged plan such as the BAYE, will be subject to the requirements of the applicable tax legislation.

Non-Executive Directors are not entitled to compensation for termination of their appointment.

Consideration of employment conditions elsewhere in the Group

The Committee is updated on a regular basis on the structure and quantum of the all-employee remuneration framework, as well as throughout the year being informed about the context, challenges and opportunities relating to the remuneration of the wider workforce to enable the Committee to consider the broader employee context when making executive remuneration decisions.

The Committee spent considerable time in the second half of the 2024 financial year formulating this Policy. The Committee considers the pay and employment conditions of all other employees when setting and implementing the Policy and the level of salary increase for the wider workforce is taken into account when determining any salary increase for Executive Directors. Through our Employee Voice Forum, we have engaged with staff on topics such as diversity and inclusion, culture and pay and benefits. The Committee intends to engage further with the workforce on this once the new Policy has been approved by shareholders.

Consideration of shareholder views

The Remuneration Committee greatly values the continued dialogue with shareholders and regularly engages with shareholders and representative bodies to take their views into account when setting and implementing the Company's remuneration policies. The Company engaged with shareholders and their proxy advisers on the proposed new Policy. More detail on the engagement with shareholders in 2024 can be found in the annual statement by the Chair of the Remuneration Committee earlier in this Directors' Remuneration report.

Legacy remuneration arrangements

The Committee reserves the right to make any remuneration payments and / or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out in this report where the terms of the payment were agreed:

- before the policy came into effect (provided that, in the case of any payment agreed after the Company's 2020 AGM, they are in line with the policy in place at the time the terms were agreed or were otherwise approved by shareholders); or
- at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company; and
- to satisfy contractual commitments under legacy remuneration arrangements.

For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an incentive award, the terms of the payment are 'agreed' at the time the award is granted.

We have presented the Annual Report on Remuneration (the 'Report') to set out how the Policy of the Company has been applied in 2024 and how the Committee intends to apply the proposed Policy going forward, subject to receiving shareholder approval at the 2025 AGM. An advisory shareholder resolution to approve this report will be proposed at the AGM.

Reporting requirements

The Report reflects the reporting requirements on remuneration matters in accordance with the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). The Report also meets the UK Listing Authority's Listing Rules and the Disclosure and Transparency Rules. The Report describes how the Board has complied with the provisions set out in the UK Corporate Governance Code 2018 relating to remuneration matters.

Main activities during the financial year

The Committee has an annual cycle of work to ensure that all responsibilities are met over a calendar year. The Committee met five times during the year; the list below summarises the key items considered by the Committee during the year ended 30 September 2024.

November

Assessment of remuneration performance
- Review of financial and non-financial performance ratings
- Review of CRO risk report
- Consideration of application of discretion

Wider workforce
- Update on FY23 wider workforce bonuses
- Review of CSOP and SMIP discretionary awards

Directors' Remuneration report
- Review of FY23 Directors' Remuneration report

Governance
- Update on shareholdings against guidelines
- Market developments update

April

Assessment of remuneration performance
- EIP interim performance assessment

Wider workforce
- FY24 pay update – National Living Wage changes

Remuneration Policy
- Internal audit review of General Remuneration Policy

Governance
- Market developments update
- FY23 AGM investor feedback
- Review of approach to Material Risk Takers regulation

May

Specific remuneration arrangements
- Advised and D2C Senior Manager remuneration packages

July

Wider workforce
- FY25 Group remuneration policy review

Specific remuneration arrangements
- FY25 Board, ExCo and Material Risk Takers remuneration
- FY25 draft strategic objectives

Governance
- Annual Committee effectiveness evaluation
- Annual review of Committee meeting cycle

September

Remuneration Policy
- Proposed changes to EIP and Executive Directors' Remuneration Policy
- Shareholder engagement

For more information on the Committee's Terms of Reference visit **ajbell.co.uk.**

Advice to the Committee

In relation to its consideration of Directors' remuneration during the year, the Committee has received advice from:

- The Chair, Chief Executive Officer, Chief Financial Officer, HR Director and Company Secretary; and
- Deloitte LLP ('Deloitte').

Deloitte is retained to provide independent and objective advice to the Committee as required. Deloitte is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. Deloitte has provided advice covering annual remuneration report and policy disclosures, market practice and corporate governance updates. Fees for providing remuneration advice to the Committee were £50,050 for the year ended 30 September 2024. The Committee assesses from time to time whether this appointment remains appropriate or should be put out to tender and takes into account the Remuneration Consultants Group Code of Conduct when considering this.

Committee evaluation

As indicated within the Corporate Governance report, an external evaluation of the Board and its Committees was undertaken during the year as required by the UK Corporate Governance Code. The Committee reviewed the findings which confirmed the Committee continued to be operating effectively.

Implementation of the Remuneration Policy for 2023/24

The following table sets out total remuneration for each Director in respect of the year ending 30 September 2024.

Total single figure remuneration (Audited)

				Executive Incentive Plan (c) £000					
	Year	Salary and fees (a) £ 000	Benefits (b) £ 000	Annual award	Deferred award	Pension (d) £ 000	Total remuneration £ 000	Total fixed remuneration £ 000	Total variable remuneration £ 000
Executive Director									
Michael Summersgill	2024	525	2	630	945	10	**2,112**	**537**	**1,575**
	2023	500	2	173	261	5	**941**	**507**	**434**
Roger Stott	2024	306	2	297	445	10	**1,060**	**318**	**742**
	2023	292	2	103	154	–	**551**	**294**	**257**
Peter Birch	2024	385	2	428	642	10	**1,467**	**397**	**1,070**
	2023	310	8	129	194	9	**650**	**327**	**323**
Non-Executive Directors									
Fiona Clutterbuck (Appointed 1 May 2023)	2024	225	2	–	–	–	**227**	**227**	**–**
	2023	94	–	–	–	–	**94**	**94**	**–**
Evelyn Bourke	2024	73	–	–	–	–	**73**	**73**	**–**
	2023	63	–	–	–	–	**63**	**63**	**–**
Eamonn Flanagan	2024	80	–	–	–	–	**80**	**80**	**–**
	2023	63	–	–	–	–	**63**	**63**	**–**
Margaret Hassall	2024	78	–	–	–	–	**78**	**78**	**–**
	2023	63	–	–	–	–	**63**	**63**	**–**
Fiona Fry (Appointed 7 December 2023)	2024	62	–	–	–	–	**62**	**62**	**–**
	2023	–	–	–	–	–	**–**	**–**	**–**
Julie Chakraverty (Appointed 1 June 2024)	2024	20	–	–	–	–	**20**	**20**	**–**
	2023	–	–	–	–	–	**–**	**–**	**–**
Les Platts (Appointed 13 July 2023)	2024	60	–	–	–	–	**60**	**60**	**–**
	2023	13	–	–	–	–	**13**	**13**	**–**
Simon Turner (Stepped down 31 March 2024)	2024	42	–	–	–	–	**42**	**42**	**–**
	2023	63	–	–	–	–	**63**	**63**	**–**

The figures in the single figure tables on the previous page are derived from the following:

(a) Salary and fees	The amount of salary / fees earned in respect of the year. A salary sacrifice pension arrangement is operated by the Company. Directors' salaries are shown gross of salary sacrifice pension contributions.
(b) Benefits	The benefits received by the Executive Directors comprise: • amounts received for sacrificed annual leave; and • private medical insurance.
(c) Executive Incentive Plan	Annual award for FY24: the value of the annual award earned in respect of the financial year is based on the share price at vesting of 460p. A description of performance against the measures which applied for the financial year is provided on pages 113 and 114. Deferred award for FY24: the value of the deferred award earned in respect of the financial year is based on the share price at initial vesting of 460p. A description of performance against the measures which applied for the financial year is provided on pages 113 and 114. Note: a deferred award will normally be released following the end of a deferral period starting on the date on which the performance condition is assessed and ending in the fourth year after the start of the performance period. The values in the single figure of remuneration table are calculated in accordance with the applicable regulations by reference to the share price at vesting. The values of the deferred awards are included in the FY24 table, notwithstanding that the values will not be released to the Directors until the end of the deferral period. EIP options are granted at the start of the performance period and therefore executives are exposed to the impact of any subsequent movement in the share price over the performance period. In the period between grant and vesting, the share price increased from 300p to 460p and is therefore attributable to a c. 53% increase in the award values. The values for the FY23 annual and deferred awards were based on the share price at vesting of 276.8p.
(d) Pension	Contributions made by AJ Bell to a defined contribution scheme or personal pension, excluding any pension contributions made in respect of an individual under the Company's salary sacrifice arrangement.

Base salary and fees

The Executive Directors' base salaries with effect from 1 October 2024 are set out in the table below. The approach of the Committee in determining these salaries is discussed in the annual statement by the Chair of the Remuneration Committee on page 100.

	Base salary as at 1 October 2024	Base salary as at 1 October 2023	% Change
Michael Summersgill	**£541,000**	£525,000	3%
Roger Stott	**£315,257**	£306,075	3%
Peter Birch	**£425,000**	£385,000	10%

Non-Executive Directors receive fees reflecting the time commitment, demands and responsibilities of the role. Details of Chair and Non-Executive Directors' fees are detailed below.

	As at 1 October	Base fees	Additional fees	Total
Fiona Clutterbuck	2024	£231,750	–	**£231,750**
	2023	£225,000	–	**£225,000**
Evelyn Bourke	2024	£70,000	£15,000	**£85,000**
	2023	£60,000	£12,500	**£72,500**
Eamonn Flanagan	2024	£70,000	£20,000	**£90,000**
	2023	£60,000	£20,000	**£80,000**
Margaret Hassall	2024	£70,000	£17,500	**£87,500**
	2023	£60,000	£17,500	**£77,500**
Fiona Fry (Appointed 7 December 2023)	2024	£70,000	£25,000	**£95,000**
	2023	N/A	–	**N/A**
Julie Chakraverty (Appointed 1 June 2024)	2024	£70,000	–	**£70,000**
	2023	N/A	–	**N/A**
Les Platts	2024	£70,000	–	**£70,000**
	2023	£60,000	–	**£60,000**
Simon Turner (Stepped down 31 March 2024)	2024	N/A	–	**N/A**
	2023	£60,000	£25,000	**£85,000**

Executive Incentive Plan (EIP)

For the financial year ended 30 September 2024, the maximum EIP awards granted to Michael Summersgill equated to 270% of base salary, and 250% of base salary for Roger Stott and Peter Birch.

Executive Director	Maximum opportunity	On-target opportunity	Number of shares	Face value at grant[1]	Performance period[2]
Michael Summersgill	270% of salary	135% of salary	185,100 Annual 277,651 Deferred	£566,406 £849,612	Financial year ended 30 September 2024
Roger Stott	250% of salary	125% of salary	99,923 Annual 149,884 Deferred	£305,764 £458,645	Financial year ended 30 September 2024
Peter Birch	250% of salary	125% of salary	125,685 Annual 188,528 Deferred	£384,596 £576,896	Financial year ended 30 September 2024

1. For these purposes, the face value of the award is calculated by multiplying the number of shares over which the award was granted by 306p, the five-day average share price prior to grant date.
2. Each award was subject to performance conditions assessed over the financial year ended 30 September 2024 (as described further below). Deferred awards are also subject to a performance underpin for a further three years (to 30 September 2027).

The EIP awards are made up of an annual award and deferred award (40% and 60% of the total number of shares respectively) both granted as nominal cost options. Both the annual and deferred awards are assessed against a balanced scorecard of financial and non-financial measures, linked to the KPIs and strategy of the business, over the financial year ending 30 September 2024 as set out below:

Finance and Assurance (35%)	Growth (15%)	Our customers (15%)	Our people (10%)	Individual measures (25%)
Revenue PBT PBT margin	AUA inflows	Customer retention rates Customer experience	Staff engagement	Including, but not limited to Consumer Duty and culture

The payout is 25% of maximum at threshold and 50% of maximum at on-target performance.

Finance and assurance

	Threshold	Target	Stretch	Maximum	Actual
Revenue	£218.2m	£242.4m	£266.6m	£303.0m	£269.4m
Profit before tax	£84.2m	£93.6m	£103.0m	£116.9m	£113.3m
PBT margin	34.7%	38.6%	42.5%	48.3%	42.0%

Commentary on achievement: Strong growth of the business in FY24 helped to deliver record financial performance, with revenue and profit before tax increasing 23% and 29% respectively, delivering outcomes between stretch and maximum.

PBT margin increased to 42.0% in the year, outperforming target. This increase is as a result of higher revenue margins combined with a lower rate of cost growth as the business continues to drive cost efficiencies.

Performance outcome: 69% of maximum

Growth

	Threshold	Target	Stretch	Maximum	Actual
Net AUA inflows (absolute)	£4.3bn	£4.7bn	£5.2bn	£5.9bn	£6.1bn
Net AUA inflows (relative)	44.2%	49.1%	54.0%	61.3%	157.6%

Commentary on achievement: As a result of continued investment in AJ Bell's platform propositions alongside improved retail investor confidence, net AUA inflows reached an impressive £6.1 billion in the year, with net AUA inflows relative to competitors significantly exceeding maximum.

Performance outcome: 100% of maximum

Our customers

	Threshold	Target	Stretch	Maximum	Actual
Combined AJBIC / AJ Bell customer % retention rate	94.0%	95.0%	96.0%	97.4%	94.2%
Customer experience – Trustpilot score	4.61	4.70	4.79	4.94	4.79

Commentary on achievement: Our platform customer retention rate remained high at 94.2%. The outturn exceeded the threshold, despite being lower than the challenging target level of performance.

The strength of AJ Bell's service was reflected in the market-leading Trustpilot score of 4.8, delivering stretch outcomes.

Performance outcome: 38% of maximum

Staff engagement

	Threshold	Target	Stretch	Maximum	Actual
Great Place to Work survey score	58.5%	65.0%	71.5%	81.3%	83.0%

Commentary on achievement: The Committee noted a strong performance regarding staff engagement, exceeding maximum with a total score of 83% in the Great Place to Work survey, placing AJ Bell amongst the best large companies in the country.

Notwithstanding the outcome outlined above, the Committee judged this as a stretch level of performance given that this is the first year we have used the Great Place to Work survey. They considered the overall engagement levels in the business when determining the outcome, and agreed they were strong, but concluded that the maximum award would only be given in exceptional circumstances.

Performance outcome: 75% of maximum

Strategic objectives

Director	Objective
Michael Summersgill	**Improve brand awareness** The long-term investment in our brand delivered significant value during the year with brand awareness in our core target market increasing from 37% at the start of the year to 56% in September 2024, an excellent result for the period. This growing brand awareness makes our acquisition marketing activity more effective and underpins our continued business growth.
	Embed Consumer Duty to a high standard and in line with regulatory deadlines The implementation of the new Consumer Duty has been a notable regulatory change. We have successfully transitioned to the embedding phase, where we assess, test, understand, and demonstrate the delivery of good customer outcomes; the effective use of data forming a crucial foundation in how we measure and monitor the outcomes delivered to our customers.
	Improve the pace of innovation and change The Committee is pleased to see improvements arising from the continued investment in our change teams, software enhancements and increased use of cloud-based technology, putting AJ Bell in an excellent position to accelerate the pace at which we can deliver enhancements to the platform.

Payout: 87% of maximum

Director	Objective
Roger Stott	**Deliver business change effectively / Increase the pace of operational change** Good progress has been made during the year with further improvements in process automation and enhancements made to our data governance framework. In addition, there has been a positive cultural shift in driving operational efficiency.
	Deliver the COO succession plan Worked closely with Michael to ensure a robust succession plan is in place ahead of Roger's retirement later this year.

Payout: 50% of maximum

Director	Objective
Peter Birch	**Improve our long-term planning / Support business growth through financial controls** The 2024 business planning process (BPP) was significantly enhanced with clear five-year ambitions that aim to deliver for our key stakeholder groups. These ambitions were underpinned by multi-year strategic objectives, which considered the evolution of the platform market, regulation, customer behaviour and macroeconomic conditions. Efficiently led the development of unit economics methodology to provide a more granular and insightful assessment of the financial performance of our platform products to better inform decision making and highlight the financial impact of key product-led decisions. Successfully embedded an efficiency framework, which has enabled greater analysis of all functions and the implementation of initiatives to drive further operational gearing.
	Assume responsibility of the Treasury and HR functions The Committee is pleased with the smooth transition of both functions under Pete's leadership in the year.

Payout: 87% of maximum

In considering the extent to which the Executive Directors' EIP awards vested, the Committee assessed achievement against the financial and non-financial targets, as well as the findings of the CRO risk report, in which no adverse findings were reported. They also considered relevant external market conditions. The table below sets out the overall achievement for the vesting of the CEO, COO and CFO's EIP awards. The Committee considers that the level of payout is reflective of the overall performance of the Group in the year and is appropriate.

	Vesting (as a % of maximum)		Granted	Vested and released	Initially vested and deferred	Forfeited
CEO	74%	Annual awards	**185,100**	**137,160**	**–**	**47,940**
		Deferred awards	**277,651**	**–**	**205,740**	**71,911**
COO	65%	Annual awards	**99,923**	**64,551**	**–**	**35,372**
		Deferred awards	**149,884**	**–**	**96,826**	**53,058**
CFO	74%	Annual awards	**125,685**	**93,133**	**–**	**32,552**
		Deferred awards	**188,528**	**–**	**139,700**	**48,828**

The deferred awards are also subject to performance underpins for a further three years. The underpin conditions are set out below.

Underpin	Measure	Details
Grow shareholder value	Measurement of the underlying performance and strength of the Company.	No material deterioration in the underlying performance of the Company which is significantly greater than any deterioration in the performance of comparator listed financial services companies.
Risk, conduct and compliance	Effective individual and Company risk management.	No material failure in risk management, conduct or compliance.

The participants are entitled to acquire shares following the assessment of the underpins but (other than as regards sales to cover tax liabilities) participants are required to hold acquired shares (and to not dispose of shares) for a further 12 months.

Payments made to former Directors during the year (Audited)

No payments were made to former Directors during the year.

Payments for loss of office during the year (Audited)

No payments for loss of office were made during the year.

Retirement arrangements for Roger Stott

As previously discussed, our COO Roger Stott will be retiring and stepping down as an Executive Director on 31 December 2024. Details of his retirement arrangements are set out in the annual statement by the Chair of the Remuneration Committee on page 100.

Statement of Directors' shareholding and share interests (Audited)

The interests of the Directors and their connected persons in the Company's ordinary shares as at 30 September 2024 (or date of cessation) were as follows:

	Ordinary shares	EIP options vested and unexercised[2]	Total interests at 30 September 2024[2]
Executive Directors			
Michael Summersgill	593,960	279,602	**873,562**
Roger Stott	204,363	140,362	**344,725**
Peter Birch	7,057	160,591	**167,648**
Non-Executive Directors			
Fiona Clutterbuck	6,809	–	**6,809**
Evelyn Bourke	85,297	–	**85,297**
Eamonn Flanagan	151,090	–	**151,090**
Margaret Hassall	–	–	**–**
Fiona Fry	–	–	**–**
Julie Chakraverty	17,385	–	**17,385**
Les Platts	310,447	–	**310,447**
Simon Turner[1]	185,953	–	**185,953**

1. Simon Turner stepped down from the Board on 31 March 2024. His shareholding is shown at this date.
2. Includes the number of shares from EIP options that are vested and unexercised, net of tax.

Since 30 September 2024 Roger Stott has acquired an additional 66 shares under the Companies' BAYE plan, via the terms of an agreement which was put in place before the year end. There has been no other subsequent change in Directors' shareholdings and share interests.

Executive Directors' shareholding guidelines

The Committee has adopted a shareholding guideline for the Executive Directors, which requires a shareholding equivalent to 350% of base salary for the Chief Executive Officer and 300% of base salary for other Executive Directors as further described in the Directors' Remuneration Policy. Michael Summersgill and Roger Stott have significantly exceeded this guideline at 30 September 2024, based on the share price at the end of the financial year. Peter Birch was appointed as CFO during FY22 and has built up a shareholding of 196%, an increase of 118% in the year. As set out in the Remuneration Policy, Executive Directors are expected to retain all shares acquired through the EIP deferred awards until the shareholding guideline is met.

The Committee's approach to post-cessation shareholding requirements is set out in the Directors' Remuneration Policy approved at the 2024 AGM, and the proposed Directors' Remuneration Policy on page 105.

Executive Directors' interests under share schemes (Audited)

Awards under share plans:

		Award date	As at 1 October 2023	Granted during the year	Forfeited during the year	Exercised during the year	As at 30 September 2024	Status
Michael Summersgill	Deferred award	12 Dec 19	39,983	–	–	39,983	**–**	Vested and exercised
	Deferred award	10 Dec 20	36,163	–	–	–	**36,163**	Vested and unexercised
	Deferred award	9 Dec 21	54,293	–	–	–	**54,293**	Subject to performance underpins
	Annual award	8 Dec 22	62,795	–	–	62,795	**–**	Vested and exercised
	Deferred award	8 Dec 22	94,194	–	–	–	**94,194**	Subject to performance underpins
	Annual award	15 Dec 23	–	185,100	47,940	–	**137,160**	Vested and unexercised
	Deferred award	15 Dec 23	–	277,651	71,911	–	**205,740**	Subject to performance underpins
Roger Stott	Deferred award	10 Dec 20	6,151	–	–	6,151	**–**	Vested and exercised
	Deferred award	9 Dec 21	47,740	–	–	–	**47,740**	Subject to performance underpins
	Annual award	8 Dec 22	37,144	–	–	37,144	**–**	Vested and exercised
	Deferred award	8 Dec 22	55,717	–	–	–	**55,717**	Subject to performance underpins
	Annual award	15 Dec 23	–	99,923	35,372	–	**64,551**	Vested and unexercised
	Deferred award	15 Dec 23	–	149,884	53,058	–	**96,826**	Subject to performance underpins
Peter Birch	Annual award	8 Dec 22	46,778	–	–	46,778	**–**	Vested and exercised
	Deferred award	8 Dec 22	70,168	–	–	–	**70,168**	Subject to performance underpins
	Annual award	15 Dec 23	–	125,685	32,552	–	**93,133**	Vested and unexercised
	Deferred award	15 Dec 23	–	188,528	48,828	–	**139,700**	Subject to performance underpins

Current service contracts and terms of engagement

Executive Directors

The Executive Directors are employed under service contracts that can be terminated by the Executive Director or the Company with six months' notice. The Directors' service contracts are available for shareholder inspection at the Company's registered office. These contracts were dated as follows:

	Contract date
Michael Summersgill	1 November 2019
Roger Stott	1 November 2019
Peter Birch	1 July 2022

Non-Executive Directors

The Non-Executive Directors do not have service agreements and are appointed subject to letters of appointment that can be terminated with one month's notice by either the Non-Executive Director or the Company. The letters of appointment are dated as follows:

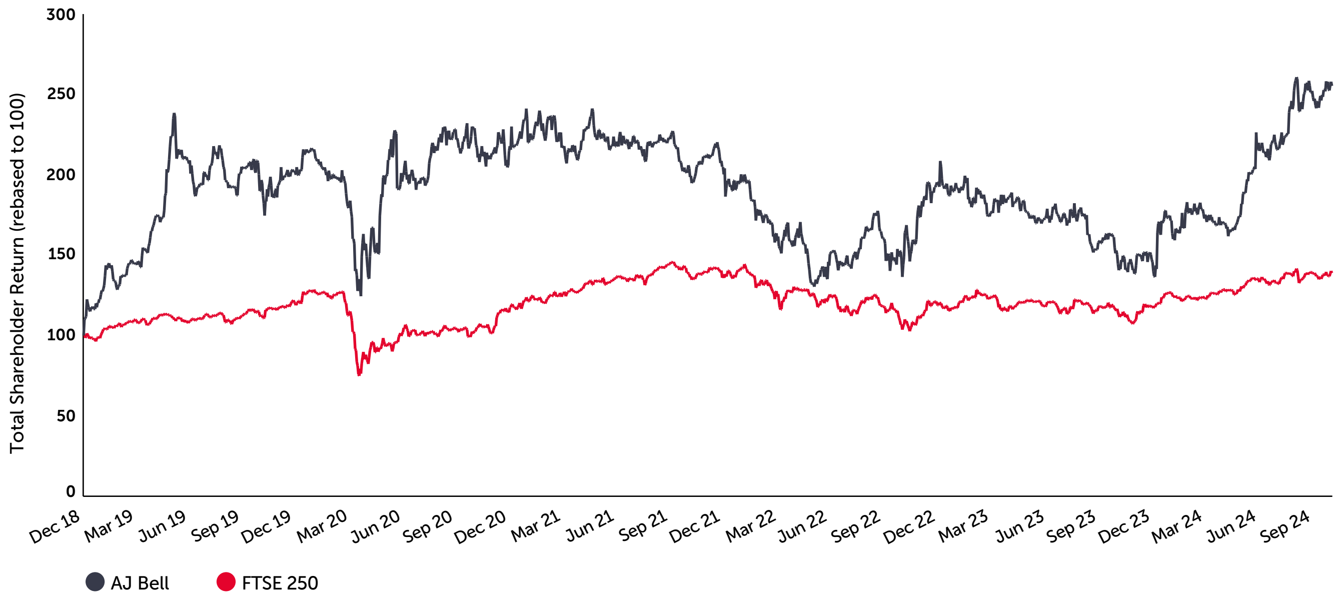
	Contract date
Fiona Clutterbuck	1 May 2023
Evelyn Bourke	1 July 2021
Eamonn Flanagan	22 March 2018
Margaret Hassall	1 September 2021
Fiona Fry	7 December 2023
Julie Chakraverty	1 June 2024
Les Platts	13 July 2023
Simon Turner[1]	1 July 2014

1. Simon Turner stepped down from the Board on 31 March 2024.

Performance graph and historical Chief Executive Officer remuneration outcomes

The graph below shows the TSR performance of the Company's shares in comparison to the FTSE 250 for the period from the date of admission, 12 December 2018 to 30 September 2024. The TSR performance of the FTSE 250 index has been selected as it is considered the most appropriate comparator group to AJ Bell. For the purposes of the graph, TSR has been calculated as the percentage change during the period in the market price of the shares, assuming that dividends are reinvested in shares on the ex-dividend date. The graph shows the change in value, up to October 2024, of £100 invested in shares in the Company on the date of admission compared with the change in value of £100 invested in the FTSE 250.

Total shareholder return for AJ Bell against the FTSE 250 index



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CEO pay remuneration

The table below shows details of the total remuneration and EIP vesting (as a percentage of the maximum opportunity) for the Chief Executive Officer.

	Total single figure remuneration £'000	Annual EIP award (% of maximum opportunity)	Deferred EIP award (% of maximum opportunity)
2024	**2,112**	**74%**	**74%**
2023	941	59%	59%
2022	1,110	67%	67%
2021	1,191	79%	79%
2020	1,297	79%	79%
2019	1,906	65%	65%

Directors' remuneration ratios and percentage change

The table below sets out in relation to salary / fees, taxable benefits and incentives, the percentage change in pay for the Directors compared to the wider workforce from 2020 to 2024. The annual change in salary is based on the salary of employees (on a full-time-equivalent basis) at the end of each financial year, and the annual change in bonus excludes employees that are not eligible for a bonus. The average employee change has been calculated by reference to the mean change.

Julie Chakraverty and Fiona Fry were appointed during the year to 30 September 2024 and accordingly, have been excluded from the table below. Simon Turner stepped down from the Board on 31 March 2024, and has therefore also been excluded from the table below.

	2024			2023			2022			2021			2020		
	Salary/ Fees	Benefits	Annual bonus	Salary/ Fees	Benefits	Annual bonus	Salary/ Fees	Benefits	Annual bonus	Salary/ Fees	Benefits	Annual bonus	Salary/ Fees	Benefits	Annual bonus
Michael Summersgill	**5.0%**	**35.6%[2]**	**262.6%[3]**	59.9%	55.3%	35.4%	27.9%	(3.5%)	20.9%	0.0%	13.4%	(17.7%)	2.5%	(87.5%)	(44.4%)
Roger Stott	**5.0%**	**35.6%[2]**	**188.5%[3]**	6.0%	0.0%	(8.9%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Peter Birch	**24.2%**	**(70.5)%[4]**	**230.5%[3]**	0.0%	571.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fiona Clutterbuck[1]	**0%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Evelyn Bourke	**15.1%**	**n/a**	**n/a**	11.2%	n/a	n/a	11.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Eamonn Flanagan	**27.0%**	**n/a**	**n/a**	5.0%	n/a	n/a	11.7%	n/a	n/a	13.2%	n/a	n/a	2.2%	n/a	n/a
Margaret Hassall	**23.0%**	**n/a**	**n/a**	11.2%	n/a	n/a	11.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Les Platts[1]	**0%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wider workforce	**8.9%**	**116.2%[5]**	**49.0%[6]**	11.7%	1,385.6%	7.5%	9.9%	6.9%	13.5%	3.3%	28.0%	11.1%	4.9%	(56.0%)	(8.3%)

1. Fiona Clutterbuck and Les Platts' salaries have been annualised for comparative purposes.
2. The increase in benefits in the year is due to the provision of private medical insurance in the year.
3. The increase in the annual bonus for the Executive Directors is based on the awards granted under the EIP which are subject to share price movements. For the FY24 awards, the share price increased from 300p to 460p.
4. The reduction in benefits for Peter Birch is due to amounts received in FY23 for sacrificed annual leave.
5. The increase in benefits for the wider workforce is due to the grant of free shares in January 2024.
6. The increase in the annual bonus for the wider workforce includes awards granted under employee share schemes which are subject to share price movements. For the FY24 awards, the price increased from 300p to 460p.

CEO pay ratio

The table below sets out the ratio at median (50th percentile), 25th and 75th quartile of the total remuneration received by the CEO compared with the total remuneration received by employees (calculated on a full-time-equivalent basis). The ratios have been calculated in accordance with the Companies (Miscellaneous Reporting) Requirements 2018 (the 'Regulations').

Year	Pay element	Method	25th (Lower quartile)	50th (Median)	75th (Upper quartile)
2024	**Salary**	**Option A**	**21:1**	**17:1**	**10:1**
	Total remuneration	**Option A**	**73:1**	**57:1**	**33:1**
2023	Salary	Option A	21:1	17:1	10:1
	Total remuneration	Option A	35:1	28:1	16:1
2022	Salary	Option A	22:1	19:1	11:1
	Total remuneration	Option A	46:1	37:1	21:1
2021	Salary	Option A	23:1	19:1	12:1
	Total remuneration	Option A	52:1	42:1	25:1
2020	Salary	Option A	24:1	19:1	12:1
	Total remuneration	Option A	59:1	47:1	29:1

The remuneration figures used to calculate the CEO pay ratio are provided below:

Year	Pay element	CEO	25th (Lower quartile)	50th (Median)	75th (Upper quartile)
2024	**Salary**	**£525,000**	**£25,078**	**£31,164**	**£53,499**
	Total remuneration	**£2,112,000**	**£28,923**	**£37,383**	**£64,092**
2023	Salary	£500,000	£23,984	£28,948	£50,880
	Total remuneration	£941,203	£26,558	£33,430	£58,796
2022	Salary	£498,613	£22,171	£26,449	£44,964
	Total remuneration	£1,109,710	£24,331	£30,052	£51,731
2021	Salary	£481,752	£21,188	£25,272	£40,716
	Total remuneration	£1,190,522	£22,823	£28,380	£46,996
2020	Salary	£481,752	£20,349	£25,008	£38,568
	Total remuneration	£1,297,056	£22,026	£27,511	£44,197

The calculation methodology used to identify the employees at each quartile between 2020 and 2024 is Option A, as defined in the regulations. We believe this is the most robust and accurate approach, and in line with shareholder expectations. The median, 25th and 75th percentile colleagues were determined based on calculating total annual remuneration up to and including 30 September. Total full-time-equivalent remuneration for employees reflects all pay and benefits received by an individual in respect of the relevant year and has been calculated in line with the methodology for the single figure of remuneration for the CEO, shown on page 111. Only employees that were employed at the end of the financial year were included. Annual bonuses of employees are based on the expected pay-out. The reason for this is that the annual bonus results had not been paid at the time of preparing the ratio calculations. The workforce comparison is based on the payroll data for the financial year for all employees (including the CEO but excluding Non-Executive Directors).

A significant proportion of the CEO's pay is in the form of variable pay through the EIP scheme. CEO pay will therefore vary year-on-year based on Company and share price performance. The CEO to all-employee pay ratio will therefore also fluctuate taking this into account. The increase in total remuneration ratio reflects in the increase in the CEO's EIP opportunity in 2024 as well as the strong performance.

The Committee believes that the median pay is consistent with the pay, reward and progression policies for the UK employee population, and is appropriate for the Company's size and structure.

Distribution statement

The following table sets out the total remuneration for all employees and the total shareholder distributions:

	2024 £'000	2023 £'000	% change
Total remuneration for all employees[1]	**80,340**	64,758	24%
Dividends and share buybacks[2]	**47,416**	35,294	34%

1. Total remuneration for all employees represents the underlying staff cost for the Group.
2. See note 11 in the consolidated financial statements.

Statement of voting at the AGM

Votes cast by proxy and at the meeting at the AGM held on 30 January 2024 in respect of the Directors' Remuneration Report, and at the AGM on 8 February 2023 in respect of the Directors' Remuneration Policy, were as follows:

Resolution	Votes for including discretionary votes	% for	Votes against	% against	Total votes cast excluding votes withheld	Votes withheld	Total votes cast including votes withheld
Approve Directors' Remuneration Report	327,282,166	96.13	13,165,554	3.87	340,447,720	9,436,529	349,884,249
Approve Directors' Remuneration Policy	335,054,935	98.14	6,337,734	1.86	341,392,669	1,276,097	342,668,766

Approval

This report was approved by the Board on 4 December 2024 and signed on its behalf by:

Margaret Hassall
Chair of the Remuneration Committee
4 December 2024

The Directors present their Annual Report on the affairs of the Group, together with the consolidated financial statements and Auditor's report, for the year ended 30 September 2024. The Directors' report comprises pages 120 to 122 of this report, together with sections of the Annual Report incorporated by reference below.

Additional disclosures

The Strategic report is a requirement of the UK Companies Act 2006 and can be found on pages 1 to 67 of this Annual Report.

The Company has chosen, in accordance with section 414C (11) of the Companies Act 2006, to include details of the following matters in its Strategic report that would otherwise be disclosed in the Directors' report:

Detail	Page(s)
Likely future developments in the business	9
Research and development	56
Greenhouse gas emissions	42 to 52
Non-financial reporting	53

Corporate governance

The Corporate Governance report, including the statement as to the Company's compliance with the UK Corporate Governance Code (the 'Code') and details of where the Code is publicly available, is set out on pages 74 to 83. The information in that section is incorporated into this Directors' report by reference and is deemed to form part of this report, fulfilling the requirements of the corporate governance statement for the purposes of Disclosure Guidance and Transparency Rules (DTR) 7.2.1.

The Strategic report and the Directors' report together form the Management report for the purposes of the DTR 4.1.8R.

Information required to be disclosed under Listing Rule 6.6.1, which is not included in the Directors' report, can be located as follows:

Listing Rule 6.6.1 Required Disclosure	Location in the Annual Report and Accounts
(12) Current year dividend waiver agreements	Note 11 to the consolidated financial statements provides information on employee benefit trusts that have waived dividends.
(13) Future dividend waiver agreements	Note 11 to the consolidated financial statements provides information on employee benefit trusts that have waived dividends.

Principal activity

AJ Bell plc (the 'Company') and its subsidiaries (together the 'Group') provide an investment platform operating in the advised and D2C markets. The Company is registered as a public limited company under the Companies Act 2006 and is listed on the Main Market of the London Stock Exchange.

Results and future performance

A review of the Group's results and activities is covered within the Strategic report on pages 1 to 67. This incorporates the Chair's statement and Chief Executive Officer's review, which include an indication of likely future developments.

Key performance indicators

Key performance indicators in relation to the Group's activities are continually reviewed by senior management and are presented on pages 22 and 23.

Dividends

The Board recommends a final dividend of 8.25p per ordinary share for the year ended 30 September 2024. This, together with the interim dividend of 4.25 pence per ordinary share paid on 28 June 2024, makes a total dividend in respect of the financial year ended 30 September 2024 of 12.50p per ordinary share. The final dividend proposed by the Directors will be subject to approval at the AGM on 29 January 2025. If approved, the Company will pay a final dividend on 7 February 2025 to shareholders on the register at 10 January 2025. The ex-dividend date will be 9 January 2025.

The employee benefit trusts have elected to waive all dividends on shares held under the trusts relating to AJ Bell plc. Further details can be found in note 11 to the consolidated financial statements.

Articles of Association

The Articles of Association of the Company (the 'Articles') were adopted by special resolution on 15 November 2018. Any amendments to the Articles may be made in accordance with the provisions of the Companies Act 2006, by way of a special resolution at a general meeting of shareholders.

Directors

The Directors of the Group who were in office during the year are disclosed on pages 72 and 73.

Under the Articles, all of the Directors are required to retire from the Board at the AGM. Accordingly, each of the Directors, being eligible, will offer themselves for re-election by the members of the Company.

The service agreements of current Executive Directors and the letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office.

Directors' powers

Subject to company law and the Company's Articles, the Directors may exercise all of the powers of the Company and may delegate their power and discretion to committees. The ExCo is responsible for the day-to-day management of the Group. The Articles give the Directors power to appoint and replace Directors.

Directors' interests

Directors' interests in the shares of AJ Bell plc are disclosed in the Directors' Remuneration report on page 115.

During the period covered by this report, no Director had any material interest in a contract to which the Company or any of its subsidiary undertakings was a party (other than their own service contract) that requires disclosure under the requirements of the Companies Act 2006.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors. These provisions were for the purposes of section 234 of the Companies Act 2006 and were in force throughout the financial year and remain so at the date of this report.

Share capital

Details of the Company's issued share capital, together with details of the movements therein, are set out in note 23 to the consolidated financial statements. This includes the rights and obligations attaching to shares and restrictions on the transfer of shares.

The Company has one class of ordinary share which carries no right to fixed income. There are no specific restrictions on the size of the holding nor on the transfer of shares, which are both governed by the general provisions of the Articles and prevailing legislation.

The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Employee benefit trusts have been established in order to provide benefits for the Group's employees and former employees. This includes acting as a vehicle for the acquisition and holding of a pool of shares to satisfy share awards under the Company's employee share plans. During the year, 392,615 options under the Executive Incentive Plan (EIP) were exercised and issued from the trusts as discussed in note 23.

Authority to purchase its own shares

The Company is permitted pursuant to the terms of its Articles to purchase its own shares subject to shareholder approval.
The Company was granted authority at the 2024 AGM to purchase its own shares up to an aggregate value of 10% of the issued nominal capital. No shares were purchased under this authority in the year to 30 September 2024 and up to the date of this report. The authority will expire on the earlier of the end of the next AGM and 28 February 2025.

Substantial shareholdings

Information provided to the Company by substantial shareholders (holding voting rights of 3% or more in the financial instruments of the Company) pursuant to the DTRs are published via a Regulatory Information Service and are available on the Company's website.
As at 30 September 2024, the following information has been received in accordance with DTR 5 from holders of notifiable interests in the Company's issued share capital. It should be noted some of these holdings may have changed since the Company received the notification. Holders are not required to notify the Company of any change until this, or the next applicable threshold is reached or crossed.

Interested party	Number of shares	% of share capital[1]
Andy Bell	77,305,271	18.716
Liontrust Investment Partners LLP	41,542,459	10.057

Between 30 September 2024 and 4 December 2024 (the latest practicable date for inclusion in this report), the Company received no notifications pursuant to DTR 5.

1. The percentage of voting rights detailed above was calculated at the time of the relevant disclosures made in accordance with Rule 5 of the DTRs.

Change of control

There are no significant agreements to which the Company is a party that take effect, alter or terminate on a change of control of the Company following a takeover bid. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

However, options and awards granted to employees under the Company's share schemes and plans may vest on a takeover, under the schemes' provisions.

Financial instruments and risk management

The risk management objectives and policies of the Group are set out within note 25 of the consolidated financial statements.

Political contributions

No political contributions were made by the Group during the year (2023: £nil).

Corporate social responsibility

Information about the Group's approach to the environment, including details of our greenhouse gas emissions, is set out on pages 42 to 52 of the Strategic report.

Disabled employees

We welcome applications from people with disabilities and we make reasonable adjustments to the recruitment and selection process for those who are interested in working for the Group. In the event of employees becoming disabled, every effort is made to ensure that their employment with the Group continues and that the appropriate facilities and training are arranged. It is the policy of the Group that the training, career development and promotion of disabled persons must, as far as possible, be the same as that of other employees.

Engagement with employees

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various other factors affecting the performance of the Group. This is achieved through formal and informal meetings and internal publications. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests via AJ Bell's Employee Voice Forum which is chaired by Fiona Clutterbuck. Employee share schemes have operated since June 2005. These schemes have promoted wider employee involvement in the Group and include our annual free share award scheme. Further information on employee engagement is set out on pages 34 to 38 of the Strategic report.

The Directors believe that the incentivisation of senior management and key employees by equity participation is an important factor in the continuing success of the Group. This policy aligns the interests of management and the wider workforce with those of the shareholder base.

Engagement with suppliers, customers and other stakeholders

Details of how the Group engages with its key stakeholders, including its shareholders, can be found on pages 24 and 25 of the Strategic report.

Details of how interests of stakeholders are considered in the Board's decision making can be found in the Section 172 statement on pages 26 and 27.

Internal control

The Board has overall responsibility for the maintenance of the internal control system established by the Group and places considerable reliance on a strong control environment. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss. Compliance with internal control procedures is monitored by the Directors through the Risk & Compliance Committee and the Audit Committee, which are responsible for overseeing the Group's risk management, compliance and internal audit functions. Details of the Group's risk management can be found on pages 58 to 60.

Going concern and viability statement

The consolidated financial statements have been prepared on a going concern basis. After making enquiries and considering the Group's financial position, its business model, strategy, financial forecasts and regulatory capital together with its principal risks and uncertainties, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of signing this report. The going concern basis of preparation is discussed within note 2.1 to the consolidated financial statements.

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a longer period than the 12 months required by the going concern provision. Details of the assessment can be found on page 67.

Events after reporting date

Details of significant events since the reporting date are contained in note 29 to the consolidated financial statements.

Disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given pursuant to section 418 of the Companies Act 2006 and should be interpreted in accordance with, and subject to, those provisions.

Annual General Meeting

The AGM will be held at 12 noon on 29 January 2025 and will be held as a physical meeting as detailed in the Corporate Governance report on page 83. Details of the resolutions to be proposed at the AGM are set out in the separate circular which has been sent to all shareholders and is available on the AJ Bell website at **ajbell.co.uk/group/investor-relations/agm**.

Approved by the Board on 4 December 2024 and signed on its behalf by:

Kina Sinclair
Company Secretary

4 Exchange Quay
Salford Quays
Manchester
M5 3EE

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with UK-adopted International Accounting Standards and applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss for the Group for that period. The Directors are also required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the UK.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group or Parent Company will continue in business; and
- prepare a Directors' report, a Strategic report and Directors' Remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Each of the Directors, whose names and responsibilities are listed in the Corporate Governance report, confirms that, to the best of their knowledge:

- the financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and Parent Company, together with a description of the principal risks and uncertainties that they face.

We consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Approved by the Board on 4 December 2024 and signed on its behalf by:

Kina Sinclair
Company Secretary

4 Exchange Quay
Salford Quays
Manchester
M5 3EE

> "There is a great team at AJ Bell. I always find them helpful with any questions and more than happy trusting them with holding my investments. Easy to use app and cheap dealing charges."

Mr P Steele
AJ Bell customer

Trustpilot

Uncertain → Assured

We help our customers take control of their financial futures and achieve their long-term financial goals. AJ Bell is a brand our customers know and **trust**, through our first-class customer service that supports our range of products and services that our customers and advisers can rely on.

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of AJ Bell Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2024 which comprise the consolidated income statement, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the notes to the consolidated financial statements including a summary of material accounting policy information, the company statement of financial position, the company statement of changes in equity and notes to the company financial statements, including a summary of material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Independence

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors in June 2019 to audit the financial statements for the year ended 30 September 2020 and subsequent financial periods. The period of total uninterrupted engagement is 5 years, covering the years ended 30 September 2020 to 30 September 2024. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Review of the prior year forecasts prepared by management compared to current year actuals and consider the reason for variations and assess the accuracy of management's budgets and forecasts;
- Review of the current year forecasts prepared by management and challenge the key inputs and assumptions such as customer growth rate and retention included therein based on our knowledge of the business and understanding of the risks arising from the current economic environment; and
- Understanding and review of the Group's stress testing of liquidity and regulatory capital, including challenging rationale behind the severity of the stress scenarios that were used based on our understanding of the wider economic environment in which the business is operating.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview

Coverage	97% (2023: 97%) of Group revenue 97% (2023: 96%) of Group profit before tax 92% (2023: 94%) of Group total assets In the prior year, the previously reported 100 % coverage denoted the portion of the group audited. However, the figures reported above for the current and prior year denotes work done based on significant components as a % of the Group.		
		2024	**2023**
Key audit matters	Fraud risk in revenue recognition	✓	✓
Materiality	Group financial statements as a whole £5.9m (2023:£4.4m) based on 5% (2023: 5%) of Profit before tax.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement. We determined there to be four significant components which are based in the United Kingdom. We determined these significant components to be the Parent Company, AJ Bell Securities Limited, AJ Bell Management Limited and AJ Bell Business Solutions Services Limited. We carry out full scope audits of all significant components as well as non-significant components in the Group as they require audits for statutory purposes.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management and the Board to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit Committee meeting and other papers related to climate change and performed a risk assessment as to how it may affect the financial statements and our audit.

We also assessed the consistency of management's disclosures included as Other Information with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Strategic report
Governance
Financial statements
Other information

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Risk of fraud in revenue recognition in respect of custody fees, interest payaway to customers and accrued interest income (Note 2.3 and 5)	Revenue is the most significant item in the consolidated income statement and represents one of the areas that had the greatest effect on the overall Group audit. At the outset of the audit, we performed a detailed risk assessment considering the presumed fraud risk over revenue. This assessment was revisited throughout the audit. We concluded that there is an incentive to overstate revenue given the external focus on the Group's results and management incentive schemes which are, in part, dependent on reported profits. We concluded the areas most open to manipulation are: **Custody fees** There is a risk that the revenue is misstated through manipulating the price of the client's assets used in the calculation. There is a risk that the revenue is misstated through manipulating the fee rate used in the calculation. **Interest payaway to customers** Revenue includes retained interest income, which is a function of interest income reduced by interest payaway to customers. There is a risk that the revenue is being misstated through manipulating the interest rate used in the calculation of interest pay-away to customers. **Accrued interest income** There is a risk that the revenue is being misstated through manipulating the interest rate used in the manual calculation of accrued interest income. Based on this, the fraud risk associated with these specific revenue streams are deemed to be a key audit matter.	The specific procedures we performed were as follows: We performed an evaluation of the design and implementation of key controls. We used our data analytics software to reperform the calculation of key income streams on a customer-by-customer basis, including custody income and interest pay-away to customers, using source data extracted from records held by the group. We then compared our independent recalculations to the amounts reported. For the inputs noted as key audit matters, we then performed the below procedures over the data used in the recalculation. **Custody fees** We agreed a sample of price of assets used in our recalculation above to third party sources. We agreed a sample of fee rates used in our recalculation above to the fee rate card as available to the public in the Group's website as specified in the agreements with customers. For special rates (i.e. those not on the standard rate card), we have agreed a sample to signed agreements or fee letters supporting the special rates. **Interest payaway to customers** We agreed a sample of interest rates in our recalculation above to the interest rate card as available to the public in the Group's website as specified in the agreements with customers. **Accrued interest income** We agreed a sample of interest rates from the interest income calculation spreadsheet to the interest rate per the deposit notice from counterparties. **Key observations** Based on our work performed, revenue appears to be reasonable.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024 £m	2023 £m	2024 £m	2023 £m
Materiality	5.9	4.4	1.5	0.9
Basis for determining materiality	5% of profit before tax on ordinary activities before taxation.	5% of profit before tax on ordinary activities before taxation.	1.5% of total assets of the parent company.	1.5% of total assets of the parent company.
Rationale for the benchmark applied	Profit on ordinary activities before taxation attributable to shareholders has been used as we consider this to be the most significant determinant of the Group's financial performance used by shareholders and other users of the financial statements.	Profit on ordinary activities before taxation attributable to shareholders has been used as we consider this to be the most significant determinant of the Group's financial performance used by shareholders and other users of the financial statements.	Total assets is considered the most relevant metric to the users of the financial statements given that the company is parent entity of the group and does not earn any income other than dividends from subsidiary entities.	Total assets is considered the most relevant metric to the users of the financial statements given that the company is parent entity of the group and does not earn any income other than dividends from subsidiary entities.
Performance materiality	4.4	3.3	1.1	0.7
Basis for determining performance materiality	Performance materiality was calculated using 75% of overall materiality.	Performance materiality was calculated using 75% of overall materiality.	Performance materiality was calculated using 75% of overall materiality.	Performance materiality was calculated using 75% of overall materiality.
Rationale for the percentage applied for performance materiality	This was based on our risk assessment procedures and the expectation of a low level of misstatements.	This was based on our risk assessment procedures and the expectation of a low level of misstatements.	This was based on our risk assessment procedures and the expectation of a low level of misstatements.	This was based on our risk assessment procedures and the expectation of a low level of misstatements.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group. Component materiality in relation to significant components ranged from £1.5m to £4.4m (2023: £1.1m to £4.4m) based on the materiality levels set for the component's individual entity audits, while also considering the size and our risk of material misstatement of that component and capping its materiality level where relevant to take into consideration aggregation risk. In the audit of each component, we further applied performance materiality levels of 75% (2023: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £0.1m (2023: £0.09m). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	• Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and • The section describing the work of the Audit Committee

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed on the following page.

Non-compliance with laws and regulations

We gained an understanding of the legal and regulatory framework applicable to the Group, components and the industry in which it operates, and considered the risk of acts by the Group and the components which were contrary to applicable laws and regulations, including fraud through inquiries with management, review of the Board and other committee minutes and our knowledge brought forward from previous audits. These included but were not limited to compliance with Companies Act 2006, the relevant accounting standards, the Financial Conduct Authority's regulations and the Listing Rules, as well as consideration of required regulatory capital levels and whether there was a risk that required capital levels might be breached in an extreme downside scenario.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and Those Charged With Governance relating to the existence of any fraud, contingent liabilities and non-compliance with laws and regulations;
- review of correspondence with the regulator;
- review of minutes of board meetings and other committee meetings throughout the period until the date of our audit report for discussions around potential irregularities throughout the period and for instances of non-compliance with laws and regulations and fraud; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

We considered which areas of the financial statements might be the most susceptible to fraud and irregularities and identified the following areas:

- Fraud risk on accuracy of custody fees, interest pay-away, and accrued interest income
- Management override of controls

Our procedures in respect of the above included:

- In addressing Fraud risk on accuracy of custody fees and interest paid to customers interest payaway, we performed the procedures set out in the key audit matter section in our report were performed;
- In respect of management override of controls:
  - We tested a sample of journals which met defined fraud risk criteria by agreeing those journals to supporting documentation and evaluating whether there was evidence of bias by Directors that represented a risk of material misstatement due to fraud;
  - We tested a risk-based sample of revenue related journals as part of our overall response to the risk of management override of controls. We tested each journal in our sample by obtaining an understanding of the reason the journal entries were posted, assessing the reasonableness, including incentive and impact on reporting in line with any key performance indicators and agreeing the amounts posted to supporting documentation.
  - We reviewed the key judgements and estimates, including impairment of goodwill and intangible, provisions including the distressed investment provision and calculation of share-based payments applied by Management in the financial statements to assess their appropriateness and the existence of any systematic bias; and
  - We tested the completeness and accuracy of data migrated between the old and new general ledger systems in the year.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

Use of our report

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

Neil Fung-On
(Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK
4 December 2024

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

Consolidated income statement

for the year ended 30 September 2024

	Notes	2024 £000	2023 £000
Revenue	5	**269,435**	218,234
Administrative expenses		**(162,157)**	(132,014)
Operating profit	6	**107,278**	86,220
Investment income	8	**6,909**	2,393
Finance costs	9	**(904)**	(952)
Profit before tax		**113,283**	87,661
Tax expense	10	**(28,988)**	(19,442)
Profit for the financial year attributable to:			
Equity holders of the parent company		**84,295**	68,219
Earnings per share			
Basic (pence)	12	**20.46**	16.59
Diluted (pence)	12	**20.34**	16.53

All revenue, profit and earnings are in respect of continuing operations.

There were no other components of recognised income or expense in either period and, consequently, no statement of other comprehensive income has been presented.

The notes on pages 136 to 163 form an integral part of these financial statements.

Consolidated statement of financial position

as at 30 September 2024

	Notes	2024 £000	2023 £000
Assets			
Non-current assets			
Goodwill	13	**6,991**	6,991
Other intangible assets	14	**7,540**	7,433
Property, plant and equipment	15	**3,777**	3,809
Right-of-use assets	16	**11,762**	10,800
Deferred tax asset	18	**1,546**	484
		31,616	29,517
Current assets			
Trade and other receivables	19	**59,545**	58,501
Current tax receivable		**1,069**	–
Cash and cash equivalents	20	**196,651**	146,304
		257,265	204,805
Total assets		**288,881**	234,322
Liabilities			
Current liabilities			
Trade and other payables	21	**(61,921)**	(52,437)
Current tax liability		**–**	(151)
Lease liabilities	16	**(1,453)**	(1,540)
Provisions	22	**(7,421)**	(1,126)
		(70,795)	(55,254)
Non-current liabilities			
Lease liabilities	16	**(11,724)**	(10,866)
Provisions	22	**(2,372)**	(2,165)
		(14,096)	(13,031)
Total liabilities		**(84,891)**	(68,285)
Net assets		**203,990**	166,037
Equity			
Share capital	23	**52**	52
Share premium		**8,963**	8,963
Own shares	23	**(2,049)**	(2,377)
Retained earnings		**197,024**	159,399
Total equity		**203,990**	166,037

The financial statements were approved by the Board of Directors and authorised for issue on 4 December 2024 and signed on its behalf by:

Peter Birch
Chief Financial Officer

AJ Bell plc
Company registered number: 04503206

The notes on pages 136 to 163 form an integral part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 September 2024

	Share capital £000	Share premium £000	Retained earnings £000	Own shares £000	Total equity £000
Balance at 1 October 2023	**52**	**8,963**	**159,399**	**(2,377)**	**166,037**
Total comprehensive income for the year:					
Profit for the year	**–**	**–**	**84,295**	**–**	**84,295**
Transactions with owners, recorded directly in equity:					
Issue of shares	**–**	**–**	**–**	**–**	**–**
Dividends paid (note 11)	**–**	**–**	**(47,416)**	**–**	**(47,416)**
Equity settled share-based payment transactions (note 24)	**–**	**–**	**567**	**–**	**567**
Deferred tax effect of share-based payment transactions (note 18)	**–**	**–**	**498**	**–**	**498**
Tax relief on exercise of share options	**–**	**–**	**9**	**–**	**9**
Share transfer relating to EIP (note 23)	**–**	**–**	**(328)**	**328**	**–**
Total transactions with owners	**–**	**–**	**(46,670)**	**328**	**(46,342)**
Balance at 30 September 2024	**52**	**8,963**	**197,024**	**(2,049)**	**203,990**

	Share capital £000	Share premium £000	Retained earnings £000	Own shares £000	Total equity £000
Balance at 1 October 2022	51	8,930	124,886	(473)	133,394
Total comprehensive income for the year:					
Profit for the year	–	–	68,219	–	68,219
Transactions with owners, recorded directly in equity:					
Issue of shares	1	33	–	–	34
Dividends paid (note 11)	–	–	(33,294)	–	(33,294)
Equity settled share-based payment transactions (note 24)	–	–	(110)	–	(110)
Deferred tax effect of share-based payment transactions (note 18)	–	–	(88)	–	(88)
Tax relief on exercise of share options	–	–	123	–	123
Share transfer relating to EIP (note 23)	–	–	(96)	96	–
Payment of tax from employee benefit trust	–	–	(241)	–	(241)
Own shares acquired (note 23)	–	–	–	(2,000)	(2,000)
Total transactions with owners	1	33	(33,706)	(1,904)	(35,576)
Balance at 30 September 2023	52	8,963	159,399	(2,377)	166,037

The notes on pages 136 to 163 form an integral part of these financial statements.

Consolidated statement of cash flows

for the year ended 30 September 2024

	Notes	2024 £000	2023 £000
Cash flows from operating activities			
Profit for the financial year		**84,295**	68,219
Adjustments for:			
Investment income	8	**(6,909)**	(2,393)
Finance costs	9	**904**	952
Income tax expense	10	**28,988**	19,442
Depreciation, amortisation and impairment	6	**3,432**	4,788
Share-based payment expense	24	**1,502**	1,103
Increase in provisions	22	**6,061**	607
Loss on disposal of intangible assets, property, plant and equipment, and right-of-use assets		**340**	16
Increase in trade and other receivables	19	**(1,044)**	(9,065)
Increase in trade and other payables	21	**9,484**	36,833
Cash generated from operating activities		**127,053**	120,502
Income tax paid		**(30,763)**	(19,092)
Net cash flows from operating activities		**96,290**	101,410
Cash flows from investing activities			
Purchase of other intangible assets	14	**(1,473)**	(1,926)
Purchase of property, plant and equipment	15	**(1,476)**	(1,574)
Interest received	8	**6,909**	2,393
Net cash flows generated from / (used in) investing activities		**3,960**	(1,107)
Cash flows from financing activities			
Payments of principal in relation to lease liabilities	16	**(1,583)**	(1,576)
Payment of interest on lease liabilities	16	**(904)**	(952)
Proceeds from issue of share capital	23	**–**	34
Purchase of own shares for employee share schemes	23	**–**	(2,000)
Payment of tax from employee benefit trust		**–**	(241)
Dividends paid	11	**(47,416)**	(33,294)
Net cash flows used in financing activities		**(49,903)**	(38,029)
Net increase in cash and cash equivalents		**50,347**	62,274
Cash and cash equivalents at beginning of year	20	**146,304**	84,030
Total cash and cash equivalents at end of year	20	**196,651**	146,304

The notes on pages 136 to 163 form an integral part of these financial statements.

1 General information

AJ Bell plc (the 'Company') is the Parent Company of the AJ Bell group of companies (together the 'Group'). The Group provides investment administration, dealing and custody services. The nature of the Group's operations and its principal activities are set out in the Strategic report and the Directors' report.

The Company is a public limited company which is listed on the Main Market of the London Stock Exchange and incorporated and domiciled in the United Kingdom. The Company's number is 04503206 and the registered office is 4 Exchange Quay, Salford Quays, Manchester, M5 3EE. A list of investments in subsidiaries, including the name, country of incorporation, registered office, and proportion of ownership is given in note 6 of the Company's separate financial statements.

The consolidated financial statements were approved by the Board on 4 December 2024.

2 Material accounting policies

Basis of accounting

The consolidated financial statements of AJ Bell plc have been prepared in accordance with UK-adopted International Financial Reporting Standards.

The financial statements are prepared on the historical cost basis and prepared on a going concern basis. They are presented in sterling, which is the currency of the primary economic environment in which the Group operates, rounded to the nearest thousand.

The accounting policies have been applied consistently to all periods presented in these financial statements and by all Group entities, unless otherwise stated.

Changes to International Reporting Standards

Interpretations and standards which became effective during the year:

The following amendments and interpretations became effective during the year. Their adoption has not had any significant impact on the Group.

		Effective from
IFRS 17	Insurance Contracts	1 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	1 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	1 January 2023
IAS 12	Deferred Tax relates to Assets and Liabilities arising from a Single Transaction (Amendments)	1 January 2023

Interpretations and standards in issue but not yet effective:

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 September each year. The Group controls an entity when it is exposed to, or it has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an entity if facts and circumstances indicate there are changes to one or more elements of control. The results of a subsidiary undertaking are included in the consolidated financial statements from the date the control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. Acquisition-related costs are expensed as incurred in the income statement, except if related to the issue of debt or equity securities. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the Group's share of the identifiable net assets of the subsidiary acquired, the difference is taken immediately to the income statement.

All intercompany transactions, balances, income, and expenses are eliminated on consolidation.

2.1 Going concern

The Group's business activities, together with its financial position and the factors likely to affect its future development and performance are set out in the Strategic report on pages 1 to 67 and the Directors' report on pages 120 to 122. Note 25 includes the Group's policies and processes for managing exposure to credit and liquidity risk.

The Group's forecasts and objectives, considering a number of potential changes in trading conditions, show that the Group should be able to operate at adequate levels of both liquidity and capital for at least 12 months from the date of signing this report. The Directors have performed a number of stress tests, covering a significant reduction in equity market values, a fall in the Bank of England base interest rate leading to a lower interest rate retained on customer cash balances, and a further Group-specific idiosyncratic stress relating to a scenario whereby prolonged IT issues cause a reduction in customers. Further detail of the forecasts and stress test scenarios are set out in the Viability statement on page 67. These scenarios provide assurance that the Group has sufficient capital and liquidity to operate under stressed conditions.

Consequently, after making reasonable enquiries, the Directors are satisfied that the Group has sufficient financial resources to continue in business for at least 12 months from the date of signing the report and therefore have continued to adopt the going concern basis in preparing the consolidated financial statements.

2.2 Segmental reporting

The Group determines and presents operating segments based on the information that is provided internally to the Board, which is the Group's Chief Operating Decision Maker (CODM). In assessing the Group's operating segments the Directors have considered the nature of the services provided, product offerings, customer bases, operating model and distribution channels amongst other factors. The Directors concluded there is a single segment as it operates with a single operating model; operations, support and technology costs are managed and reported centrally to the CODM. A description of the services provided is given within note 4.

2.3 Revenue recognition

Revenue represents fees receivable from investment administration and dealing and custody services for both client assets and client money. Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Recurring fixed

Recurring fixed revenue comprises recurring administration fees and media revenue.

Administration fees include fees charged in relation to the administration services provided by the Group and are recognised over time as the related service is provided.

Included within administration fees are annual pension administration fees. The Group recognises revenue from such fees over time, using an input method to measure progress towards complete satisfaction of a single performance obligation. The Group determined that the input method is the best method in measuring progress of the services relating to these fees because there is a direct relationship between the Group's effort (i.e. labour hours incurred) and the transfer of service to the customer.

The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

Certain pension administration fees are received in arrears or in advance. Where revenue is received in arrears for an ongoing service, the proportion of the income relating to services provided but not yet received is accrued. This is recognised as accrued income until the revenue is received. Where revenue is received in advance for an ongoing service, the proportion of the income relating to services that have not yet been provided is deferred. This is recognised as deferred income until the services have been provided.

Media revenue includes advertising, subscriptions, events and award ceremony and corporate solutions contracts. Subscriptions and corporate solutions revenue is recognised evenly over the period in which the related service is provided. Advertising, event and award ceremony revenue is recognised in the period in which the publication is made available to customers or the event or award ceremony takes place.

Recurring ad valorem

Recurring ad valorem revenue comprises custody fees, retained interest income and investment management fees provided by the Group and is recognised evenly over the period in which the related service is provided.

Ad valorem fees include custody fees charged in relation to the holding of client assets and interest received on client money balances. Custody fees and investment management fees are accrued on a time basis by reference to the AUA.

Transactional

Transactional revenue comprises dealing fees and pension scheme activity fees. Transaction-based fees are recognised when received in accordance with the date of settlement of the underlying transaction.

Other non-recurring fees are recognised in the period to which the service is rendered.

2 Material accounting policies continued

2.3 Revenue recognition continued

Customer incentives

Customer incentives paid to new retail customers are considered to be a reduction in revenue under IFRS 15. In line with IFRS 15, customer incentives to acquire new customers are offset against recurring ad valorem revenue and spread over the period which the customer is required to remain a customer in order to be eligible for the incentive. Customer incentives are paid in cash and vouchers.

2.4 Share-based payments

The Group operates a number of share-based payment arrangements for its employees and non-employees. These generally involve an award of share options (equity-settled share-based payments) which are measured at the fair value of the equity instrument at the date of grant.

The share-based payment arrangements have conditions attached before the beneficiary becomes entitled to the award. These can be performance and / or service conditions.

The total cost is recognised, together with a corresponding increase in the equity reserves, over the period in which the performance and / or service conditions are fulfilled. Costs relating to the development of internally-generated intangible assets are capitalised in accordance with IAS 38. The cumulative cost recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and management's estimate of shares that will eventually vest. At the end of each reporting period, the entity revises its estimates of the number of share options expected to vest based on the non-market vesting conditions. It recognises any revision to original estimates in the income statement and to intangible assets where appropriate, with a corresponding adjustment to equity reserves.

No cost is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

The cost of equity-settled awards is determined by the fair value at the date when the grant is made using an appropriate valuation model or the market value discounted to its net present value, further details of which are given in note 24. The expected life applied in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.5 Investment income

Investment income comprises the returns generated on corporate cash at banks and short-term highly-liquid investments. Investment income is recognised in the income statement as it accrues, using the effective interest rate method.

2.6 Finance costs

Finance costs comprise interest incurred on lease liabilities recognised under IFRS 16. Finance costs are recognised in the income statement using the effective interest rate method.

2.7 Taxation

The tax expense represents the sum of the current tax payable and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised if the temporary difference arises from:

- the initial recognition of goodwill; or
- investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable they will not reverse in the foreseeable future; or
- the initial recognition of an asset and liability in a transaction other than a business combination that, at the time of the transaction, affects neither the accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that taxable profits will be available in the future, against which deductible temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at each reporting date.

The principal temporary differences arise from accelerated capital allowances, provisions for share-based payments and unrecognised losses.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.8 Goodwill

Goodwill arising on consolidation represents the difference between the consideration transferred and the fair value of net assets acquired of the subsidiary at the date of acquisition. Goodwill is not amortised, but is reviewed at least annually for impairment. Any impairment is recognised immediately through the income statement and is not subsequently reversed.

For the purposes of impairment testing goodwill acquired in a business combination is allocated to the cash generating unit (CGU) expecting to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are reviewed annually or more frequently when there is an indication that the goodwill relating to that CGU may have been impaired. If the recoverable amount from the CGU is less than the carrying amount of the assets present on the consolidated statement of financial position forming that CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the assets forming that CGU and then to the assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.9 Intangible assets (excluding goodwill)

Intangible assets comprise computer software and mobile applications, and the Group's Key Operating Systems (KOS). These are stated at cost less amortisation and any recognised impairment loss. Amortisation is charged on all intangible assets excluding goodwill and assets under construction at rates to write off the cost or valuation, less estimated residual value, of each asset evenly using a straight-line method over its estimated useful economic life as follows:

Computer software and mobile applications – 3–4 years
KOS – 15 years
KOS enhancements – over the remaining life of the KOS

The assets' estimated useful lives, amortisation rates and residual values are reviewed, and adjusted if appropriate at the end of each reporting period. An asset's carrying value is written down immediately to its recoverable amount if its carrying value is greater than the recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement immediately.

2.10 Internally-generated intangible assets

An internally-generated asset arising from work performed by the Group is recognised only when the following criteria can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the asset first meets the recognition criteria listed above. Development expenditure that does not meet the criteria is recognised as an expense in the period which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Assets under construction are not amortised until the asset is operational and available for use.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

2.11 Property, plant and equipment

All property, plant and equipment is stated at cost, which includes directly attributable acquisition costs, less accumulated depreciation and any recognised impairment losses. Depreciation is charged on all property, plant and equipment, except assets under construction, at rates to write off the cost, less estimated residual value, of each asset evenly using a straight-line method over its estimated useful economic life as follows:

Leasehold improvements – over the life of the lease
Office equipment – 4 years
Computer equipment – 3–5 years

The assets' estimated useful lives, depreciation rates and residual values are reviewed, and adjusted if appropriate at the end of each reporting period. An asset's carrying value is written down immediately to its recoverable amount if its carrying value is greater than the recoverable amount.

Assets under construction relate to capital expenditure on assets not yet in use by the Group and are therefore not depreciated.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement immediately.

2 Material accounting policies continued

2.12 Leased assets and lease liabilities

Leases

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the leases. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Depreciation is applied in accordance with IAS 16: Property, Plant and Equipment. Right-of-use assets are depreciated over the lease term. Right-of-use assets are subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the addition of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

2.13 Impairment of intangible assets (excluding goodwill), property, plant and equipment and leased assets

At each reporting date the Group reviews the carrying amount of its intangible assets, property, plant and equipment and leased assets to determine whether there is any indication that those assets have suffered impairment. If such an indication exists then the recoverable amount of that particular asset is estimated.

An impairment test is performed for an individual asset unless it belongs to a CGU, in which case the present value of the net future cash flows generated by the CGU is tested. A CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or of groups of other assets. An intangible asset with an indefinite useful life or an intangible asset not yet available for use is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of its fair value less costs to sell and its value-in-use. In assessing its value-in-use, the estimated net future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU in which the asset sits is estimated to be lower than the carrying value, then the carrying amount is reduced to the recoverable amount. An impairment loss is recognised immediately in the income statement as an expense.

An impairment loss is reversed only if subsequent events reverse the effect of the original event which caused the recognition of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment reversal is recognised in the income statement immediately.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle that obligation.

The amount recognised as a provision is the Directors' best estimate of the consideration required to settle that obligation at the reporting date and is discounted to present value where the effect is material.

2.15 Levies

The Group applies the guidance provided in IFRIC 21 to levies issued under the Financial Services Compensation Scheme. The interpretation clarifies that an entity should recognise a liability when it conducts the activity that triggers the payment of the levy under law or regulation.

2.16 Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when a member of the Group becomes party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified according to the business model within which the asset is held and the contractual cash-flow characteristics of the asset. All financial assets are classified at amortised cost.

Financial assets at amortised cost

The Group's financial assets at amortised cost comprise trade receivables, other receivables and cash and cash equivalents.

Financial assets at amortised cost are initially recognised at fair value including any directly attributable costs. They are subsequently measured at amortised cost using the effective interest method, less any impairment. No interest income is recognised on financial assets measured at amortised cost, with the exception of cash and cash equivalents, as all financial assets at amortised cost are short-term receivables and the recognition of interest would be immaterial. Financial assets are derecognised when the contractual right to the cash flows from the asset expire.

Trade and other receivables

Trade and other receivables are initially recorded at the fair value of the amount receivable and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Other receivables also represent client money required to meet settlement obligations.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, on-demand deposits with banks and other short-term highly-liquid investments with original maturities of one month or less, or those over which the Group has an immediate right of recall. Where appropriate, bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and number of days past due. The Group considers a trade receivable to be in default when it is past due by more than 90 days, or when the value of a client's receivable balance exceeds the value of the liquid assets they hold with AJ Bell.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 September 2024 and the corresponding historical credit losses experienced within this period.

The carrying amount of the financial assets is reduced by the use of a provision. When a trade receivable is considered uncollectable, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against the provision. Changes in the carrying amount of the provision are recognised in the income statement.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Lease liabilities

Lease liabilities consist of amounts payable by the Group measured at the present value of lease payments to be made over the lease term.

Other financial liabilities

The Group's other financial liabilities comprised trade and other payables. Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently carried at amortised cost using the effective interest rate method. A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or they expire.

Trade and other payables

Trade and other payables consist of amounts payable to clients and other counterparties and obligations to pay suppliers for goods and services in the ordinary course of business, including amounts recognised as accruals. Trade and other payables are measured at amortised cost using the effective interest method.

2.17 Employee benefit trust

The employee benefit trusts provide for the granting of shares, principally under share option schemes. AJ Bell plc is considered to have control of the trusts and so the assets and liabilities of the trusts are recognised as those of AJ Bell plc.

Shares of AJ Bell plc held by the trusts are treated as 'own shares' held and shown as a deduction from equity. Subsequent consideration received for the sale of such shares is also recognised in equity, with any difference between the sales proceeds and original cost being taken to equity.

3 Critical accounting adjustments and key sources of estimation uncertainty

In the application of the Group's material accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions to determine the carrying amounts of certain assets and liabilities. The estimates and associated assumptions are based on the Group's historical experience and other relevant factors. Actual results may differ from the estimates applied.

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

There are no judgements made, in applying the material accounting policies, about the future, or any other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Segmental reporting

It is the view of the Directors that the Group has a single operating segment being investment services in the advised and D2C space administering investments in SIPPs, ISAs and General Investment / Dealing Accounts. Details of the Group's revenue, results and assets and liabilities for the reportable segment are shown within the consolidated income statement and consolidated statement of financial position on pages 132 and 133 respectively.

The Group operates in one geographical segment, being the UK.

Due to the nature of its activities, the Group is not reliant on any one customer or group of customers for generation of revenues.

5 Revenue

The analysis of the consolidated revenue is as follows:

	2024 £000	2023 £000
Recurring fixed	**32,078**	30,666
Recurring ad valorem	**202,040**	161,152
Transactional	**35,317**	26,416
	269,435	218,234

Recurring ad valorem fees include custody fees. These recurring charges are derived from the market value of retail customer assets, based on asset mix and portfolio size, and are therefore subject to market and economic risks. The rate charged is variable dependent on the product, portfolio size and asset mix within the portfolio. The risks associated with this revenue stream, in terms of its nature and uncertainty, are discussed further within the financial instruments and risk management note 25 on page 159.

Recurring ad valorem fees also include retained interest income earned on the level of customer cash balances, which are based on product type, customers' asset mix and portfolio size and are therefore subject to market and economic risks. The risks associated with this revenue stream, in terms of its nature and uncertainty, are discussed further within the financial instruments and risk management note 25 on page 159.

The total revenue for the Group has been derived from its principal activities undertaken in the UK.

6 Operating profit

Profit for the financial year has been arrived at after charging:

	2024 £000	2023 £000
Amortisation of intangible assets (note 14)	**430**	2,055
Depreciation of property, plant and equipment (note 15)	**1,170**	1,079
Depreciation of right-of-use assets (note 16)	**1,832**	1,654
Loss on the disposal of intangible assets, property, plant and equipment, and right-of-use assets	**340**	16
Auditor's remuneration (see below)	**1,101**	1,093
Provision for redress (note 22)	**6,239**	778
Staff costs (note 7)	**80,340**	64,758

During the year there was £nil in relation to research and development expensed to the income statement (2023: £nil).

Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2024 £000	2023 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**345**	329
Fees payable to the Company's auditor for the audit of the Company's subsidiaries' accounts, pursuant to legislation	**494**	589
Audit-related assurance services	**199**	115
Other assurance services	**63**	60
	1,101[1]	1,093[1]

1. Of which £90,000 relates to the audit the year end 2023 (2023: £215,000 relates to the audit for the year end 2022).

Of the above, audit-related services for the year totalled £1,072,000 (2023: £1,063,000).

7 Staff costs

The average monthly number of employees (including Executive Directors) of the Group was:

	2024 No.	2023 No.
Operational and support	**928**	856
Technology	**330**	279
Distribution	**163**	140
	1,421	1,275

Employee benefit expense for the Group during the year:

	2024 £000	2023 £000
Wages and salaries	**62,164**	51,854
Social security costs	**7,505**	5,846
Retirement benefit costs	**8,427**	5,937
Termination benefits	**742**	18
Share-based payments (note 24)	**1,502**	1,103
	80,340	64,758

In addition to the above, £1,472,000 staff costs (2023: £1,919,000) have been capitalised as an internally generated intangible asset (see note 14).

8 Investment income

	2024 £000	2023 £000
Interest income on cash balances	**6,909**	2,393

9 Finance costs

	2024 £000	2023 £000
Interest on lease liabilities	**904**	952

10 Taxation

Tax charged in the income statement:

	2024 £000	2023 £000
Current taxation		
UK corporation tax	**29,564**	19,750
Adjustment to current tax in respect of prior periods	**(12)**	(346)
	29,552	19,404
Deferred taxation		
Origination and reversal of temporary differences	**(537)**	(170)
Adjustment to deferred tax in respect of prior periods	**(27)**	341
Effect of changes in tax rates	**–**	(133)
	(564)	38
Total tax expense	**28,988**	19,442

Corporation tax is calculated at 25% of the estimated assessable profit for the year to 30 September 2024 (2023: 22%).

In addition to the amount charged to the income statement, certain tax amounts have been credited directly to equity as follows:

	2024 £000	2023 £000
Deferred tax relating to share-based payments (note 18)	**(498)**	88
Current tax relief on exercise of share options	**(9)**	(123)
	(507)	(35)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2024 £000	2023 £000
Profit before tax	**113,283**	87,661
UK corporation tax at 25% (2023: 22%):	**28,321**	19,293
Effects of:		
Expenses not deductible for tax purposes	**363**	(22)
Income not taxable in determining taxable profit	**(461)**	(16)
Amounts not recognised	**804**	325
Effect of rate changes to deferred tax	**–**	(133)
Adjustments to current and deferred tax in respect of prior periods	**(39)**	(5)
	28,988	19,442
Effective tax rate	**25.6%**	22.2%

Deferred tax has been recognised at 25%, being the rate expected to be in force at the time of the reversal of the temporary difference (2023: 25%). A deferred tax asset in respect of future share option deductions has been recognised based on the Company's share price at 30 September 2024.

11 Dividends

	2024 £000	2023 £000
Amounts recognised as distributions to equity holders during the year:		
Final dividend of 7.25p (2022: 4.59p per share)	**29,891**	18,893
Interim dividend of 4.25p (2023: 3.50p per share)	**17,525**	14,401
Total dividends paid	**47,416**	33,294
Proposed final dividend of 8.25p (2023: 7.25p) per share	**34,019**	29,807

A final dividend declared of 8.25p per share is payable on 7 February 2025 to shareholders on the register on 10 January 2025. The ex-dividend date will be 9 January 2025. The final dividend is subject to approval by the shareholders at the Annual General Meeting on 29 January 2025 and has not been included as a liability within these financial statements.

Dividends are payable on all ordinary shares as disclosed in note 23.

The employee benefit trusts, which held 689,728 ordinary shares (2023: 1,082,343) in AJ Bell plc at 30 September 2024, have agreed to waive all dividends. This represented 0.2% (2023: 0.3%) of the Company's called-up share capital. The maximum amount held by the trusts during the year was 1,082,343.

12 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Parent Company by the weighted average number of ordinary shares, excluding own shares, in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume exercise of all potentially dilutive share options.

The weighted average number of anti-dilutive share options and awards excluded from the calculation of diluted earnings per share was 219,558 as at 30 September 2024 (2023: 148,995).

The calculation of basic and diluted earnings per share is based on the following data:

	2024 £000	2023 £000
Earnings		
Earnings for the purposes of basic and diluted earnings per share being profit attributable to the owners of the Parent Company	**84,295**	68,219

	2024 No.	2023 No.
Number of shares		
Weighted average number of ordinary shares for the purposes of basic EPS in issue during the year	**412,040,137**	411,242,458
Effect of potentially dilutive share options	**2,313,011**	1,405,191
Weighted average number of ordinary shares for the purposes of fully diluted EPS	**414,353,148**	412,647,649

	2024	2023
Earnings per share (EPS)		
Basic (pence)	**20.46**	16.59
Diluted (pence)	**20.34**	16.53

13 Goodwill

	2024 £000	2023 £000
Cost		
As at 1 October and 30 September	**7,103**	7,103
Impairment		
As at 1 October and 30 September	**(112)**	(112)
Carrying value at 30 September	**6,991**	6,991

Goodwill relates to acquisitions allocated to the Group's single cash generating unit (CGU).

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the assets within the CGU is determined using value-in-use calculations. In assessing the value-in-use the estimated future cash flows of the CGU are discounted to their present value using a pre-tax discount rate. Cash flows are based upon the most recent forecasts, approved by the Board, covering a three-year period.

The key assumptions for value-in-use calculations are those regarding discount rate, growth rates and expected changes to revenues and costs in the period, as follows:

- a compound rate of 6.4% (2023: 9.5%) has been used to assess the expected growth in revenue for the three-year forecast period. This is based on a combination of historical and expected future performance;
- benefits realised from our economies of scale are passed onto customers in the form of price reductions; and
- modest ongoing maintenance expenditure is required on the assets within the CGU in order to generate the expected level of cash flows.

The Directors have made these assumptions based upon past experience and future expectations in light of anticipated market conditions and the results of streamlining processes through implementation of the target operating model for customer services.

Cash flows have been discounted using a pre-tax discount rate of 11.4% (2023: 8.6%).

The pre-tax discount rate has been calculated using an independent external source. The Directors have performed sensitivity analysis on their calculations, with key assumptions being revised adversely to reflect the potential for future performance being below expected levels. Changes to revenue are the most sensitive as they would have the greatest impact on future cash flows. However, even with a 25% reduction in revenue, there would still be sufficient headroom to support the carrying value of the assets under the CGU.

Based upon the review above, the estimated value-in-use of the CGU comfortably supports the carrying value of the assets held within it, and so the Directors are satisfied that for the period ended 30 September 2024 goodwill is not impaired.

14 Other intangible assets

	Key operating system £000	Computer software and mobile applications £000	Total £000
Cost			
At 1 October 2022	14,430	7,036	21,466
Additions	706	7	713
Disposals	–	(36)	(36)
At 30 September 2023	15,136	7,007	22,143
Additions	537	1	538
Disposals	–	(238)	(238)
At 30 September 2024	**15,673**	**6,770**	**22,443**
Amortisation			
As at 1 October 2022	7,528	5,159	12,687
Amortisation and impairment	337	1,718	2,055
Eliminated on disposal	–	(32)	(32)
At 30 September 2023	7,865	6,845	14,710
Amortisation	338	92	430
Eliminated on disposal	–	(237)	(237)
At 30 September 2024	**8,203**	**6,700**	**14,903**
Carrying amount			
At 30 September 2024	**7,470**	**70**	**7,540**
At 30 September 2023	7,271	162	7,433
At 30 September 2022	6,902	1,877	8,779
Average remaining amortisation period	1 year	Nil	

The amortisation and impairment charge above is included within administrative expenses in the income statement.

Additions include an amount of £537,000 relating to internally generated assets for the year ended 30 September 2024 (2023: £706,000).

Total additions in the period are net of a credit of £935,000 related to the reversal of capitalised share-based payment expenses (2023: credit of £1,213,000). The reversal recognised in the period is due to the lapse of previously issued equity instruments under the earn-out arrangement (note 24).

The net carrying amount of key operating systems includes £6,967,000 (2023: £6,430,000) relating to assets in development which are currently not amortised. At the year end, the Group had not entered into any contractual commitments (2023: £nil) for the acquisition of intangible assets.

15 Property, plant and equipment

	Leasehold improvements £000	Office equipment £000	Computer equipment £000	Total £000
Cost				
At 1 October 2022	2,201	975	6,269	9,445
Additions	186	42	1,346	1,574
Disposals	–	(9)	(241)	(250)
At 30 September 2023	2,387	1,008	7,374	10,769
Additions	645	7	824	1,476
Disposals	(3)	(529)	(1,187)	(1,719)
Transfers	–	20	(20)	–
At 30 September 2024	**3,029**	**506**	**6,991**	**10,526**
Depreciation				
At 1 October 2022	822	868	4,430	6,120
Charge for the year	174	58	847	1,079
Eliminated on disposal	–	(9)	(230)	(239)
At 30 September 2023	996	917	5,047	6,960
Charge for the year	204	23	943	1,170
Eliminated on disposal	(2)	(496)	(883)	(1,381)
Transfers	–	36	(36)	–
At 30 September 2024	**1,198**	**480**	**5,071**	**6,749**
Carrying amount				
At 30 September 2024	**1,831**	**26**	**1,920**	**3,777**
At 30 September 2023	1,391	91	2,327	3,809
At 30 September 2022	1,379	107	1,839	3,325

The depreciation charge above is included within administrative expenses in the income statement.

At the year end, the Group had entered into contractual commitments for the acquisition of property, plant and equipment to the value of £177,000 (2023: £nil).

Computer equipment includes assets under construction of £117,000 (2023: £68,000) which are currently not depreciated.

16 Leases

i) Right-of-use assets

	Property £000	Computer and office equipment £000	Total £000
Cost			
At 1 October 2022	16,696	252	16,948
Additions	161	21	182
Disposals	–	(6)	(6)
At 30 September 2023	16,857	267	17,124
Additions	2,759	36	2,795
Disposals	–	(1)	(1)
At 30 September 2024	**19,616**	**302**	**19,918**
Depreciation			
At 1 October 2022	4,481	194	4,675
Charge for the year	1,617	37	1,654
Disposals	–	(5)	(5)
At 30 September 2023	6,098	226	6,324
Charge for the year	1,799	33	1,832
At 30 September 2024	**7,897**	**259**	**8,156**
Carrying amount			
At 30 September 2024	**11,719**	**43**	**11,762**
At 30 September 2023	10,759	41	10,800
At 30 September 2022	12,215	58	12,273

The depreciation charge above is included within administrative expenses in the income statement.

The Group has entered into various leases in respect of property and office equipment as a lessee. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Property leases typically run for a period of five to fifteen years and office equipment for a period of one to six years.

Additions include £441,000 relating to the increase in the Group's dilapidation provision (2023: £161,000) (see note 22).

Other than property and office equipment there are no further classes of assets leased by the Group.

ii) Lease liabilities

	2024 £000	2023 £000
Current	**1,453**	1,540
Non-current	**11,724**	10,866
	13,177	12,406

The undiscounted maturity analysis of lease liabilities is shown below:

	2024 £000	2023 £000
Within one year	**2,363**	2,384
In the second to fifth years inclusive	**10,572**	8,216
After five years	**3,603**	5,525
Total minimum lease payments	**16,538**	16,125

The total lease interest expense for the year ended 30 September 2024 was £904,000 (2023: £952,000). Principal cash outflow for leases accounted for under IFRS 16 for the year ended 30 September 2024 was £1,583,000 (2023: £1,576,000).

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17 Subsidiaries

The Group consists of a Parent Company, AJ Bell plc incorporated within the UK, and a number of subsidiaries held directly and indirectly by AJ Bell plc which operate and are incorporated in the UK. Note 6 to the Company's separate financial statements lists details of the interests in subsidiaries.

18 Deferred tax asset

	2024 £000	2023 £000
Deferred tax asset	**1,869**	999
Deferred tax liability	**(323)**	(515)
	1,546	484

The movement on the deferred tax account and movement between deferred tax assets and liabilities is as follows:

	Accelerated capital allowances £000	Share-based payments £000	Short-term timing differences £000	Total £000
At 1 October 2022	(296)	746	160	610
Credit / (charge) to income statement	(219)	80	101	(38)
Charge to equity	–	(88)	–	(88)
At 30 September 2023	(515)	738	261	484
Credit / (charge) to income statement	192	393	(21)	564
Credit to equity	–	498	–	498
At 30 September 2024	**(323)**	**1,629**	**240**	**1,546**

The current year deferred tax adjustment relating to share-based payments reflects the estimated total future tax relief associated with the cumulative share-based payment benefit arising in respect of share options granted but unexercised as at 30 September 2024.

Deferred tax assets have been recognised in respect of other temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered. As at 30 September 2024, deferred tax assets have not been recognised on trading losses of £8,736,000 (2023: £5,524,000).

19 Trade and other receivables

	2024 £000	2023 £000
Trade receivables	**3,409**	2,613
Prepayments	**7,812**	8,861
Accrued income	**37,327**	33,662
Other receivables	**10,997**	13,365
	59,545	58,501

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Included within other receivables is client money required to meet settlement obligations, which is payable on demand.

Included within accrued income is £1,123,000 (2023: £1,081,000) relating to contract assets, a movement of £42,000 (2023: £97,000) during the year due to increased revenues.

The ageing profile of trade receivables was as follows:

	2024 £000	2023 £000
Current – not past due	**2,202**	1,137
Past due:		
0 to 30 days	**449**	476
31 to 60 days	**168**	279
61 to 90 days	**164**	173
91 days and over	**1,414**	1,341
	4,397	3,406
Provision for impairment	**(988)**	(793)
	3,409	2,613

The movement in the provision for impairment of trade receivables is as follows:

	2024 £000	2023 £000
Opening loss allowance as at 1 October	**793**	605
Loss allowance recognised	**308**	254
Receivables written off during the year as uncollectable	**(89)**	(8)
Unused amount reversed	**(24)**	(58)
Balance at end of year	**988**	793

20 Cash and cash equivalents

	2024 £000	2023 £000
Group cash and cash equivalent balances	**196,651**	146,304

Cash and cash equivalents at 30 September 2024 and 30 September 2023 are considered to be holdings of less than one month, or those over which the Group has an immediate right of recall.

21 Trade and other payables

	2024 £000	2023 £000
Trade payables	**463**	960
Social security and other taxes	**3,822**	3,453
Other payables	**749**	859
Accruals	**54,661**	45,043
Deferred income	**2,226**	2,122
	61,921	52,437

Trade payables, accruals and deferred income principally comprise amounts outstanding for trade purposes including payment of interest to customers and ongoing costs of the business. The Directors consider that the carrying amount of trade payables approximates their fair value.

Deferred income in the current and prior year relates to contract liabilities. Of the prior year deferred revenue balance, £2,117,000 has now been recognised as revenue. The current year balance all relates to cash received in the current period. Total deferred income as at 30 September 2024 is expected to be recognised as revenue in the coming year.

22 Provisions

	Office dilapidations £000	Redress provision £000	Other provisions £000	Total £000
At 1 October 2023	2,165	778	348	3,291
Additional provisions	441	6,239	–	6,680
Provisions used	–	–	(178)	(178)
At 30 September 2024	**2,606**	**7,017**	**170**	**9,793**
Included in current liabilities	234	7,017	170	7,421
Included in non-current liabilities	2,372	–	–	2,372

Office dilapidations

The Group is contractually obliged to reinstate its leased properties to their original state and layout at the end of the lease terms. During the year, management reviewed the Group's dilapidation provision and the assumptions on which the provision is based. The estimate is based upon property location, size of property and an estimate of the charge per square foot. A further charge of £441,000 has been recognised. Of this amount, £114,000 is due to an increase in the estimated charge per square foot and £327,000 is in relation to an increase in office floorspace. The office dilapidations provision represents management's best estimate of the costs which will ultimately be incurred in settling these obligations.

Redress provision

The provision has been recognised in relation to costs for potential customer redress. The redress relates to potential liability for historical SIPP operator due diligence issues in respect of non-mainstream investments, which subsequently became distressed, made by customers who had regulated financial advisers acting for them between April 2007 and 2014 and does not relate to ongoing business operations. Based on published Financial Ombudsman Service decisions, we believe that future complaints would be time-limited.

The figure represents our current most reliable estimate of the present obligation, accepting that there is still some uncertainty regarding the amounts required to settle the obligations as work is ongoing. The estimate has been made by assessing a range of different outcomes based on key assumptions, including the calculation of investment loss, application of limitation, customer response rates, and customers having already received compensation from other sources. Sensitivity analysis of these key assumptions would be unlikely to have a material impact on the consolidated financial statements.

The timings of the outflows are uncertain and could be paid within 12 months of the date of the statement of financial position.

Other provisions

The other provisions relate to the costs associated with defending a legal case.

The timings of the outflows are uncertain and could be paid within 12 months of the date of the statement of financial position.

23 Share capital

Issued, fully-called and paid	2024 Number	2023 Number	2024 £	2023 £
Ordinary shares of 0.0125p each	**413,044,826**	412,211,306	**51,631**	51,526

All ordinary shares have full voting and dividend rights.

The following transactions have taken place during the year:

Transaction type	Share class	Number of shares	Share premium £000
Exercise of EIP options	Ordinary shares of 0.0125p each	**116,653**	**–**
Free shares	Ordinary shares of 0.0125p each	**716,867**	**–**
		833,520	**–**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. They are entitled to share in the proceeds on the return of capital, or upon the winding up of the Company in proportion to the number of and amounts paid on shares held. The shares are non-redeemable.

Own shares

As at 30 September 2024, the Group held 689,728 own shares in employee benefit trusts (2023: 1,082,343) to satisfy future share incentive plans. Shares held by the Trust are held at £2,049,000 (2023: £2,377,000) being the price paid to repurchase, and the carrying value is shown as a reduction within shareholders' equity.

During the year 392,615 EIP options (2023: 115,908) were exercised and issued from the employee benefit trusts in the year. The costs of operating the trusts are borne by the Group but are not material. The trusts waived the right to receive dividends on these shares.

24 Share-based payments

Company Share Option Plan (CSOP)

The CSOP is a HMRC-approved scheme in which the Board, at their discretion, grants options to employees to purchase ordinary shares. Each participating employee can be granted options up to the value of £60,000. Options granted under the CSOP can be exercised between the third and tenth anniversary after the date of grant and are usually forfeited if the employee leaves the Group before the option expires. The expense for share-based payments under the CSOP is recognised over the respective vesting period of these options.

Option To Buy Scheme (OTB) – Growth shares

The OTB scheme is a historical award scheme whereby the Board at its discretion granted growth shares to employees. Growth shares entitled the holder to participate in the growth value of the Group above a certain threshold level, set above the current market value of the Group at the time the shares were issued. Growth shares granted under the OTB scheme had different vesting conditions. The vesting condition attached to all growth shares granted is that the threshold level needs to be met and an exit event needs to have occurred. As part of the AJ Bell listing process all awards were converted into ordinary shares and those awards granted with an additional employment condition of four or six years after the date of grant, continue to be recognised as a share-based payment. Awards that were issued subject to employment conditions are subject to buy back options under which the Group can buy back the shares for their issue price if the employee leaves the Group before the expiry of the employment condition period.

Buy As You Earn plan (BAYE)

The BAYE plan is an all-employee share plan under which shares can be issued to employees as either free shares or partnership shares.

The Company may grant free shares up to a maximum of £3,600 per employee in a tax year. During the year, free shares up to a maximum value of £2,000 have been offered to all employees who were employed by the Company at 30 June 2023 (2023: £2,000).

Employees have been offered the opportunity to participate in the partnership plan to enable such employees to use part of their pre-tax salary to acquire shares. The limit to the pre-tax salary deduction is £1,800 or, if lower, 10% of salary each year.

The plan entitles employees to use this deduction to buy shares in the Company on a monthly basis at the current market value. Employees are able to withdraw their shares from the plan at any time but may be subject to income tax and national insurance charges if withdrawn within three years of purchasing the shares. Therefore, the monthly partnership plan does not give rise to a share-based payment charge.

Executive Incentive Plan (EIP)

The EIP is a performance share plan that involves the award of nominal cost options to participants conditional on the achievement of specified performance targets and continuous employment over a certain period of time. Individual grants will be dependent on the assessment of performance against a range of financial and non-financial targets set at the beginning of the financial year.

Senior Manager Incentive Plan (SMIP)

The SMIP is a performance share plan that involves the award of nominal cost options to participants conditional on the achievement of specified performance targets and continuous employment over a certain period of time. Individual grants will be dependent on the assessment of performance against a range of financial and non-financial targets set at the beginning of the financial year.

Nil Cost Options plan (NCO)

The NCO plan is a discretionary scheme in which the Board grants options to employees to obtain ordinary shares at nil cost. Options granted under the NCO plan can be exercised between the third and tenth anniversary after the date of grant and are usually forfeited if the employee leaves the Group before the option expires. The expense for the share-based payments under the NCO plan is recognised over the respective vesting period of these options.

24 Share-based payments continued

CSR initiative

A CSR initiative was introduced in December 2019 with the intention of giving an additional contribution to charity through the donation of share options should a number of stretching targets be met by the Group. The awards made are equity-settled awards and involved the grant of market value options to the AJ Bell Trust conditional on the achievement of diluted earnings per share (DEPS) targets for the financial years 2022, 2023 and 2024 (Performance Period).

The exercise of each tranche will be conditional upon the DEPS having increased in relation to the 7.47 pence DEPS for the year ended 30 September 2019, by more than:

- 90% for September 2022;
- 115% for September 2023; and
- 140% for 30 September 2024.

These are considered to be the lower DEPS targets. The upper DEPS target for each performance period is 10% above the lower DEPS target.

The percentage of shares granted that will vest in each performance period is determined as follows:

- if actual DEPS is below the lower DEPS target, the vesting percentage is equal to zero;
- if actual DEPS is above the upper DEPS target, the vesting percentage is equal to 100%; and
- if actual DEPS is between the lower and upper target, then the vesting percentage is determined by linear interpolation on a straight-line basis and rounded down to the nearest 10%.

As no service is being provided by the AJ Bell Trust, all conditions involved in the arrangement are considered to be non-vesting conditions. Non-vesting conditions should be taken into account when estimating the fair value of the equity instrument granted. The fair value has been estimated using the Monte Carlo simulation model.

Earn-out arrangement

The acquisition of Adalpha gave rise to an earn-out arrangement whereby share awards are made on the completion of a number of operational and financial milestones, relating to AUA targets and the development of a simplified proposition for financial advisers. The awards are equity-settled and vest in several tranches in line with the agreed milestones.

Under the terms of the acquisition agreement, eligible employees are entitled to share awards conditional upon the successful completion of certain performance milestones and their continued employment with the Group during the vesting period. There is no exercise price attached to the share award.

The fair value of the earn-out arrangement is estimated as at the date of grant calculated by reference to the quantum of the earn-out payment for each performance milestone and an estimated time to proposition completion, discounted to net present value. The performance conditions included within the arrangement are not considered market conditions and therefore the expected vesting is reviewed at each reporting date.

Movements during the year

The tables below summarise the outstanding options for each share-based payment scheme.

CSOP

	2024		2023	
	Number	Weighted Average Exercise Price £	Number	Weighted Average Exercise Price £
Outstanding at the beginning of the year	**182,075**	**3.91**	1,101,893	3.90
Granted during the year	**1,753,272**	**2.80**	223,167	3.73
Forfeited during the year	**(80,452)**	**3.42**	(1,111,523)	3.94
Exercised during the year	**–**	**–**	(31,462)	1.04
Outstanding at the end of the year	**1,854,895**	**2.88**	182,075	3.91
Exercisable at the end of the year	**61,677**	**4.13**	39,339	3.94

The lowest exercise price for share options outstanding at the end of the period was 275p (2023: 298p) and the highest exercise price was 434p (2023: 434p). The weighted average remaining contractual life of share options outstanding at the end of the period was 8.9 years (2023: 7.6 years).

OTB – Growth shares

	2024		2023	
	Number	Weighted Average Exercise Price £	Number	Weighted Average Exercise Price £
Outstanding at the beginning of the year	**1,166,131**	**0.63**	1,166,131	0.63
Vested	**1,166,131**	**0.63**	–	–
Outstanding at the end of the year	**–**	**–**	1,166,131	0.63

Upon listing to the London Stock Exchange, all growth shares were converted to ordinary shares. The shares vested in full during the year.

EIP

	2024		2023	
	Number	Weighted Average Exercise Price £	Number	Weighted Average Exercise Price £
Outstanding at beginning of the year	**1,675,192**	**0.000125**	1,615,868	0.000125
Granted during the year	**1,533,866**	**0.000125**	912,833	0.000125
Exercised during the year	**(509,268)**	**0.000125**	(646,211)	0.000125
Lapsed during the year	**(418,696)**	**0.000125**	(207,298)	0.000125
Outstanding at the end of the year	**2,281,094**	**0.000125**	1,675,192	0.000125
Exercisable at the end of the year	**269,809**	**0.000125**	349,055	0.000125

The weighted average remaining contractual life of EIP shares outstanding at the end of the period was 8.6 years (2023: 8.3 years).

SMIP

	2024		2023	
	Number	Weighted Average Exercise Price £	Number	Weighted Average Exercise Price £
Outstanding at beginning of the year	**3,999**	**0.000125**	–	–
Granted during the year	**52,376**	**0.000125**	3,999	0.000125
Lapsed during the year	**(6,424)**	**0.000125**	–	–
Outstanding at the end of the year	**49,951**	**0.000125**	3,999	0.000125
Exercisable at the end of the year	**–**	**–**	–	–

The weighted average remaining contractual life of SMIP shares outstanding at the end of the period was 9.2 years.

NCO

	2024	
	Number	Weighted Average Exercise Price £
Outstanding at beginning of the year	**–**	**–**
Granted during the year	**74,460**	**–**
Outstanding at the end of the year	**74,460**	**–**
Exercisable at the end of the year	**–**	**–**

The weighted average remaining contractual life of NCO outstanding at the end of the period was 9.2 years.

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CSR initiative

	2024		2023	
	Number	Weighted Average Exercise Price £	Number	Weighted Average Exercise Price £
Outstanding at beginning of the year	**1,330,008**	**4.01**	1,662,510	4.01
Forfeited during the year	**–**	**–**	(332,502)	4.01
Outstanding at the end of the year	**1,330,008**	**4.01**	1,330,008	4.01
Exercisable at the end of the year	**1,330,008**	**4.01**	498,753	4.01

The weighted average remaining contractual life of CSR options outstanding at the end of the period was 5.2 years (2023: 6.2 years).

Weighted average share price of options exercised

The weighted average share price of all options exercised during the year was £2.86 (2023: £3.46).

Measurement

The fair value of equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model, taking into account the terms upon which the options and awards were granted.

The inputs into the Black-Scholes model and assumptions used in the calculations are as follows:

CSOP

Grant date	03/10/2023	15/12/2023
Number of shares under option	1,493,772	259,500
Fair value of share option from generally accepted business model (£)	0.60	0.82
Share price (£)	2.64	3.13
Exercise price of an option (£)	2.75	3.06
Expected volatility	36.38%	38.14%
Expected dividend yield	3.07%	2.59%
Risk-free interest rate	4.73%	3.96%
Expected option life to exercise (months)	36	36

EIP

Grant date	15/12/2023	15/12/2023	15/12/2023
Number of shares under option	688,849	150,605	694,412
Fair value of share option from generally accepted business model (£)	3.05	3.13	3.13
Share price (£)	3.13	3.13	3.13
Exercise price of an option (£)	0.000125	0.000125	0.000125
Expected volatility	37.99%	38.14%	38.14%
Expected dividend yield	2.59%	0.00%	0.00%
Risk-free interest rate	5.01%	3.96%	3.76%
Expected option life to exercise (months)	12	36	48

SMIP

Grant date	15/12/2023	15/01/2024	25/03/2024
Number of shares under option	49,407	571	2,398
Fair value of share option from generally accepted business model (£)	2.89	2.72	2.72
Share price (£)	3.13	2.95	3.02
Exercise price of an option (£)	0.000125	0.000125	0.000125
Expected volatility	38.14%	37.52%	36.53%
Expected dividend yield	2.59%	2.74%	3.56%
Risk-free interest rate	3.96%	3.78%	4.00%
Expected option life to exercise (months)	36	36	36

NCO

Grant date	03/10/2023	15/12/2023	15/01/2024
Number of shares under option	13,497	41,825	19,138
Fair value of share option from generally accepted business model (£)	2.41	2.89	2.74
Share price (£)	2.64	3.13	2.95
Exercise price of an option (£)	–	–	–
Expected volatility	36.38%	38.14%	37.52%
Expected dividend yield	3.07%	2.59%	2.74%
Risk-free interest rate	4.73%	3.96%	3.78%
Expected option life to exercise (months)	36	36	36

Expected volatility is estimated by considering historic average share price volatility at the grant date.

The expected life of the options is based on the minimum period between the grant of the option, the earliest possible exercise date and an analysis of the historical exercise data that is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the case.

During the year, the Group recognised a total share-based payment expense of £1,502,000 (2023: £1,103,000) and reversed £935,000 of capitalised share-based payment expense (2023: reversed capitalised amount of £1,213,000) within the statement of financial position.

The reversal recognised in the period is due to the lapse of previously issued equity instruments under the earn-out arrangement. The costs of these instruments had been recognised over the vesting period, but, as they have now lapsed, the previously recognised costs have been reversed.

25 Financial instruments and risk management

The Group's activities expose it to a variety of financial instrument risks: market risk (including interest rate and foreign exchange), credit risk and liquidity risk. Information is presented below regarding the exposure to each of these risks, including the procedures for measuring and managing them.

Financial instruments include both financial assets and financial liabilities. Financial assets principally comprise trade and other receivables and cash and cash equivalents. Financial liabilities comprise trade and other payables and lease liabilities. The Group does not have any derivative financial instruments.

Risk management objectives

The Group has identified the financial, business and operational risks arising from its activities and has established policies and procedures to manage these items in accordance with its risk appetite. The Board of Directors has overall responsibility for establishing and overseeing the Group's risk management framework and risk appetite.

The Group's financial risk management policies are intended to ensure that risks are identified, evaluated and subject to ongoing monitoring and mitigation (where appropriate). These policies also serve to set the appropriate control framework and contribute towards a robust risk culture within the business.

The Group regularly reviews its financial risk management policies and systems to reflect changes in the business, counterparties, markets and range of financial instruments that it uses.

The Finance & Treasury Committee has principal responsibility for monitoring exposure to the risks associated with cash and cash equivalents. Policies and procedures are in place to ensure the management and monitoring of each type of risk. The primary objective of the Group's Treasury Policy Statements is to manage short-term liquidity requirements whilst maintaining an appropriate level of exposure to other financial risks in accordance with the Group's risk appetite.

Material accounting policies

Details of the material accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset and financial liability, are disclosed within note 2 to the consolidated financial statements.

Categories of financial instrument

The financial assets and liabilities of the Group are detailed below:

	2024			2023		
	Financial assets at amortised cost £000	Financial liabilities at amortised cost £000	Carrying value £000	Financial assets at amortised cost £000	Financial liabilities at amortised cost £000	Carrying value £000
Financial assets						
Trade receivables	**3,409**	**–**	**3,409**	2,613	–	2,613
Accrued income	**37,327**	**–**	**37,327**	33,662	–	33,662
Other receivables	**10,997**	**–**	**10,997**	13,365	–	13,365
Cash and cash equivalents	**196,651**	**–**	**196,651**	146,304	–	146,304
	248,384	**–**	**248,384**	195,944	–	195,944
Financial liabilities						
Trade and other payables	**–**	**55,169**	**55,169**	–	46,030	46,030
Lease liabilities	**–**	**13,177**	**13,177**	–	12,406	12,406
	–	**68,346**	**68,346**	–	58,436	58,436

The carrying amount of all financial assets and liabilities is approximate to their fair value due to their short-term nature.

Market risk

Interest rate risk

The Group holds interest-bearing assets in the form of cash and cash deposits. Cash at bank earns interest at floating rates based on daily bank deposit rates. Term deposits can also be made for varying periods depending on the immediate cash requirements of the Group, and interest is earned at the respective fixed-term rate. Based on the cash balances shown in the Group's statement of financial position at the reporting date, if interest rates were to move by 25bps it would change profit before tax by approximately:

	2024 £000	2023 £000
+ 25 bps (0.25%)	**418**	293
- 25 bps (0.25%)	**(418)**	(293)

As at the year end the Group had no external borrowings, and therefore was not exposed to a material interest rate risk on borrowings.

The Group retains a proportion of the interest income generated from the pooling of customer cash balances and as a result, the Group revenue has an indirect exposure to interest rate risk. The cash balances are held with a variety of banks and are placed in a range of fixed-term, notice and call deposit accounts with due regard for counterparty credit risk, capacity risk, concentration risk and liquidity risk requirements. The spread of rate retained by the Group is variable dependent on rates received by banks (disclosed to customers at between 1.15% below and 0.15% above the prevailing base rate) and amounts paid away to customers.

The impact of a 50bps increase or decrease in UK base interest rates on the Group's revenue has been calculated and shown below. This has been modelled on a historical basis for each year separately assuming that the UK base rate was 50bps higher or lower for the year.

	2024 £000	2023 £000
+ 50 bps (0.50%)	**–**	–
- 50 bps (0.50%)	**–**	–

In FY23 and FY24, movements in the UK base interest rate would not have materially impacted the retained interest income earned by the Group, as any increases or decreases to the UK base interest rate when it is at higher levels would be passed to customers in the form of higher or lower pay away rates respectively.

Customer cash balances are not a financial asset of the Group and so are not included in the statement of financial position.

Market movement sensitivity

The Group's custody fees are derived from the market value of the underlying assets held by the retail customer in their account, based on product type, mix and portfolio size which are charged on an ad valorem basis. As a result, the Group has an indirect exposure to market risks, as the value of the underlying customers' assets may rise or fall. The impact on the Group's custody fees of a 10% increase or reduction in the value of the customers' underlying assets has been calculated and shown below. This has been modelled on a historical basis for each year separately assuming that the value of the customers' assets were 10% higher or lower than the actual position at the time.

	2024 £000	2023 £000
+ 10% higher	**7,861**	6,341
- 10% lower	**(7,861)**	(6,341)

Foreign exchange risk

The Group is not exposed to significant foreign exchange translation or transaction risk as the Group's activities are primarily within the UK. Foreign exchange risk is therefore not considered material.

25 Financial instruments and risk management continued

Credit risk

The Group's exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, arises principally from its cash balances held with banks and trade and other receivables.

Trade receivables are presented net of expected credit losses within the statement of financial position. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been categorised based on shared credit risk characteristics and number of days past due. Details of those trade receivables that are past due are shown within note 19.

The Group has implemented procedures that require appropriate credit or alternative checks on potential customers before business is undertaken. This minimises credit risk in this area.

The credit and concentration risk on liquid funds, cash and cash equivalents is limited as deposits are held across a number of major banks. The Directors continue to monitor the strength of the banks used by the Group. The principal banks currently used by the Group are Bank of Scotland plc, Barclays Bank plc, Lloyds Bank plc, Lloyds Bank Corporate Markets plc, HSBC Bank plc, NatWest Markets plc, Santander UK plc, Clearstream Banking SA and Qatar National Bank (Q.P.S.C). Bank of Scotland plc, the Group's principal banker, is substantial and is 100% owned by Lloyds Banking Group plc. All these banks currently have long-term credit ratings of at least A+ (Fitch). Where the services of other banks are used, the Group follows a rigorous due diligence process prior to selection. This results in the Group retaining the ability to further mitigate the counterparty risk on its own behalf and that of its customers.

The Group has no significant concentration of credit risk as exposure is spread over a large number of counterparties and customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date. In relation to dealing services, the Group operates as agent on behalf of its underlying customers and in accordance with London Stock Exchange Rules.

Any settlement risk during the period between trade date and the ultimate settlement date is substantially mitigated as a result of the Group's agency status, its settlement terms and the delivery versus payment mechanism whereby if a counterparty fails to make payment, the securities would not be delivered to the counterparty. Therefore any risk exposure is to an adverse movement in market prices between the time of trade and settlement. Conversely, if a counterparty fails to deliver securities, no payment would be made.

There has been no material change to the Group's exposure to credit risk during the year.

Liquidity risk

This is the risk that the Group may be unable to meet its liabilities as and when they fall due. These liabilities arise from the day-to-day activities of the Group and from its obligations to customers. The Group is a highly cash-generative business and maintains sufficient cash and standby banking facilities to fund its foreseeable trading requirements.

There has been no change to the Group's exposure to liquidity risk or the manner in which it manages and measures the risk during the year.

The following table shows the undiscounted cash flows relating to non-derivative financial liabilities of the Group based upon the remaining period to the contractual maturity date at the end of the reporting period:

	Due within 1 year £000	1 to 5 years £000	After 5 years £000	Total £000
2024				
Trade and other payables	**55,169**	**–**	**–**	**55,169**
Lease liabilities	**2,363**	**10,572**	**3,603**	**16,538**
	57,532	**10,572**	**3,603**	**71,707**
2023				
Trade and other payables	46,030	–	–	46,030
Lease liabilities	2,384	8,216	5,525	16,125
	48,414	8,216	5,525	62,155

Capital management

The Group's objectives in managing capital are to:

- safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders, security for our customers and benefits for other stakeholders;
- maintain a strong capital base to support the development of its business; and
- comply with regulatory requirements at all times.

The capital structure of the Group consists of share capital, share premium and retained earnings. As at the reporting date the Group had capital of £203,990,000 (2023: £166,037,000).

Capital generated from the business is both reinvested in the business to generate future growth and returned to shareholders principally in the form of dividends and share buybacks. The capital adequacy of the business is monitored on an ongoing basis and as part of the business planning process by the Board. It is also reviewed before any distributions are made to shareholders to ensure it does not fall below the agreed surplus as outlined in the Group's capital management policy. The liquidity of the business is monitored by management on a daily basis to ensure sufficient funding exists to meet the Group's liabilities as they fall due. The Group is highly cash-generative and maintains sufficient cash and standby banking facilities to fund its foreseeable trading requirements.

The Group conducts an annual Internal Capital and Risk Assessment (ICARA) process, as required by FCA regulation. As part of the ICARA process, the Group determines the minimum level of capital and liquid resources that it is required to hold at all times.

The amount of resources held by the Group is reviewed and monitored against these minimum requirements on an ongoing basis; and the minimum requirements are considered when making key business decisions. Our current financial resources, regulatory capital and liquidity requirements can be found on page 57.

The Group maintained a surplus of regulatory capital and liquid resources throughout the year. The disclosures required under MIFIDPRU 8 of the Investment Firms Prudential Regime are available on the Group's website at **ajbell.co.uk**.

26 Interests in unconsolidated structure entities

The Group manages a number of investment funds (open-ended investments) acting as agent of the Authorised Corporate Director. The dominant factor in deciding who controls these entities is the contractual arrangement in place between the Authorised Corporate Director and the Group, rather than voting or similar rights. As the Group directs the investing activities through its investment management agreement with the Authorised Corporate Director, the investment funds are deemed to be structured entities. The investment funds are not consolidated into the Group's financial statements as the Group is judged to act as an agent rather than having control under IFRS 10.

The purpose of the investment funds is to invest capital received from investors in a portfolio of assets in order to generate a return in the form of capital appreciation, income from the assets, or both. The Group's interest in the investment funds is in the form of management fees received for its role as investment manager. These fees are variable depending on the value of the assets under management.

The funds do not have any debt or borrowings and are financed through the issue of units to investors.

The following table shows the details of unconsolidated structured entities in which the Group has an interest at the reporting date:

Year	Type	Number of funds	Net AUM of funds £m	Annual management charge £000	Management charge receivable at 30 September £000
2024	**OEIC**	**9**	**3,698.1**	**5,035**	**496**
2023	OEIC	9	2,426.6	2,859	280

The annual management charge is included within recurring ad valorem fees within revenue in the consolidated income statement.

The annual management charge receivable is included within trade and other receivables in the consolidated statement of financial position.

The maximum exposure to loss relates to a reduction in future management fees should the market value of the investment funds decrease.

27 Reconciliation of liabilities arising from financing activities

2024	1 October 2023 £000	Cashflows £000	Change in lease liability £000	30 September 2024 £000
Lease liabilities	**12,406**	**(1,583)**	**2,354**	**13,177**
Total liabilities from financing activities	**12,406**	**(1,583)**	**2,354**	**13,177**

2023	1 October 2022 £000	Cashflows £000	Change in lease liability £000	30 September 2023 £000
Lease liabilities	13,961	(1,576)	21	12,406
Total liabilities from financing activities	13,961	(1,576)	21	12,406

28 Related party transactions

Transactions between the Parent Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

Transactions with key management personnel

Key management personnel are represented by the Board of Directors as shown on pages 72 and 73 and the Executive Committee as shown on page 79.

The remuneration expense of key management personnel is as follows:

	2024 £000	2023 £000
Short-term employee benefits (excluding NI)	**3,273**	2,893
Retirement benefits	**90**	66
Share-based payment	**2,144**	1,484
	5,507	4,443

During the year there were no material transactions or balances between the Group and its key management personnel or members of their close families, other than noted below.

Transactions with Directors

The remuneration of individual Directors is provided in the Directors' Remuneration report on pages 111 and 112.

Dividends totalling £550,000 (2023: £163,000) were paid in the year in respect of ordinary shares held by the Company's Directors.

The aggregate gains made by the Directors on the exercise of share options during the year were £897,000 (2023: £469,000).

During the year Directors and their families received beneficial staff rates in relation to personal portfolios. The discount is not material to the Directors or to AJ Bell.

Other related party transactions

Charitable donations

During the year the Group made donations of £439,000 to the AJ Bell Futures Foundation, a registered charity of which Mr P Birch, Mr C Musson and Mrs E A Carrington are trustees.

EQ Property Services Limited

The Group is party to three leases with EQ Property Services Limited for rental of the Head Office premises, 4 Exchange Quay, Salford Quays, Manchester, M5 3EE. Mr M T Summersgill and Mr R Stott are directors and shareholders of both AJ Bell plc and EQ Property Services Limited. The leases for the rental of the building were entered into on 17 August 2016 for terms which expire on 30 September 2031, at an aggregate market rent of £2,009,000 (2023: £2,009,000 per annum).

At the reporting date, there is £54,000 outstanding (2023: £nil) with EQ Property Services Limited.

29 Subsequent events

There have been no material events occurring between the reporting date and the date of approval of these consolidated financial statements.

Company statement of financial position

as at 30 September 2024

	Notes	2024 £000	2023 £000
Assets			
Non-current assets			
Investments	6	**30,797**	29,437
Other receivables	8	**12,794**	8,973
Deferred tax asset		**1,628**	738
		45,219	39,148
Current assets			
Trade and other receivables	8	**3,017**	2,506
Current tax asset		**1,540**	1,587
Cash and cash equivalents		**52,251**	19,431
		56,808	23,524
Total assets		**102,027**	62,672
Liabilities			
Current liabilities			
Trade and other payables	9	**(1,041)**	(960)
Total liabilities		**(1,041)**	(960)
Net assets		**100,986**	61,712
Equity			
Share capital	11	**52**	52
Share premium		**8,963**	8,963
Own shares		**(2,049)**	(2,377)
Retained earnings		**94,020**	55,074
Total equity		**100,986**	61,712

The financial statements were approved by the Board of Directors and authorised for issue on 4 December 2024 and signed on its behalf by:

Peter Birch
Chief Financial Officer
AJ Bell plc
Company registered number: 04503206

The notes on pages 166 to 169 form an integral part of these financial statements.

Company statement of changes in equity

for the year ended 30 September 2024

	Share capital £000	Share premium £000	Retained earnings £000	Own shares £000	Total equity £000
Balance at 1 October 2023	**52**	**8,963**	**55,074**	**(2,377)**	**61,712**
Total comprehensive income for the year:					
Profit for the year	**–**	**–**	**85,616**	**–**	**85,616**
Transactions with owners, recorded directly in equity:					
Dividends paid	**–**	**–**	**(47,416)**	**–**	**(47,416)**
Equity settled share-based payment transactions	**–**	**–**	**567**	**–**	**567**
Deferred tax effect of share-based payment transactions	**–**	**–**	**498**	**–**	**498**
Tax relief on exercise of share options	**–**	**–**	**9**	**–**	**9**
Share transfer relating to EIP	**–**	**–**	**(328)**	**328**	**–**
Total transactions with owners	**–**	**–**	**(46,670)**	**328**	**(46,342)**
Balance at 30 September 2024	**52**	**8,963**	**94,020**	**(2,049)**	**100,986**

	Share capital £000	Share premium £000	Retained earnings £000	Own shares £000	Total equity £000
Balance at 1 October 2022	51	8,930	45,335	(473)	53,843
Total comprehensive income for the year:					
Profit for the year	–	–	43,445	–	43,445
Transactions with owners, recorded directly in equity:					
Issue of shares	1	33	–	–	34
Dividends paid	–	–	(33,294)	–	(33,294)
Equity settled share-based payment transactions	–	–	(110)	–	(110)
Deferred tax effect of share-based payment transactions	–	–	(88)	–	(88)
Tax relief on exercise of share options	–	–	123	–	123
Share transfer relating to EIP	–	–	(96)	96	–
Payment of tax from employee benefit trust	–	–	(241)	–	(241)
Own shares acquired	–	–	–	(2,000)	(2,000)
Total transactions with owners	1	33	(33,706)	(1,904)	(35,576)
Balance at 30 September 2023	52	8,963	55,074	(2,377)	61,712

The notes on pages 166 to 169 form an integral part of these financial statements.

1 General information

The principal activity of AJ Bell plc (the 'Company') is that of a holding company.

The Company is a public limited company which is listed on the London Stock Exchange and incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Company's number is 04503206 and its registered office is 4 Exchange Quay, Salford Quays, Manchester, M5 3EE.

2 Material accounting policies

Basis of accounting

The financial statements are prepared on the historical cost basis and a going concern basis in accordance with the Companies Act 2006. These financial statements are presented in sterling, which is the currency of the primary economic environment in which the Company operates, rounded to the nearest thousand.

The financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The Company has set out below where advantage of the FRS 101 disclosure exemptions have been taken. Shareholders were notified of, and did not object to, the use of the disclosure exemptions.

Disclosure exemptions

The Company is included within the consolidated financial statements of AJ Bell plc, a company incorporated in the United Kingdom, whose consolidated financial statements are publicly available. Consequently, the Company has, in compliance with FRS 101, taken advantage of the exemption from preparing the following disclosures that would otherwise have been required under UK-adopted International Accounting Standards:

- IAS 7 Presentation of a cash flow statement;
- IAS 8 Disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 Disclosure of key management personnel compensation and the disclosure of transactions with group companies;
- IFRS 7 Disclosure in respect of financial instruments, provided that the equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- IFRS 13 Fair Value Measurement paragraphs 91 to 99, provided that equivalent disclosures are included within the consolidated financial statements of the group for which the entity is consolidated; and
- IFRS 2 Share-Based Payment paragraphs 45 and 46 to 52 provided that equivalent disclosures are included within the consolidated financial statements of the group for which the entity is consolidated.

The accounting policies adopted are the same as those set out in note 2 of the Group financial statements, which have been applied consistently apart from the following.

Investments

Investments in subsidiary undertakings are shown at cost less provision for impairment. The Company grants share-based payments to the employees of subsidiary companies. Each period the fair value of the employee services received by the subsidiary as a capital contribution from the Company is reflected as an addition to investments in subsidiaries.

Financial instruments

The Company follows the accounting policy of the Group for financial instruments. In addition, the Company has balances with other group companies. Amounts owed by group companies are financial assets and are recognised at amortised cost. Amounts owed to group companies are financial liabilities.

Loans issued to group companies at below-market rates of interest are initially recognised at fair value, measured as the present value of loan repayments, with the below-market element recognised as an investment in subsidiary.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2 of the consolidated financial statements, the Directors are required to make judgements, estimates and assumptions to determine the carrying amounts of certain assets and liabilities. The estimates and associated assumptions are based on the Company's historical experience and other relevant factors. Actual results may differ from the estimates applied.

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

The following judgements have been made by the Directors in applying the Company's policies.

Investment in subsidiaries

At each reporting date, the Company assesses whether there are any indicators of impairment in its investment in subsidiaries. If any such indicators exist, the investments' recoverable amount is estimated. There are a number of estimates that management use to forecast the expected future cash flows of the investments. The estimated recoverable amount of these balances is subjective due to the inherent uncertainty in forecasting trading conditions and cash flows used in the budgets.

Key judgements and estimates in relation to the estimated recoverable amount of this investment include:

- cash flow forecasts based on anticipated future demand for the investment's products and services;
- budgeted future costs attributable to the supply of the investment's products and services; and
- the level of ongoing maintenance expenditure required by the Company's assets in order to generate the expected level of cash flows.

Any share transactions undertaken in the past 12 months are considered when assessing the fair value of the investment.

Management has identified impairment indicators for Ad Alpha Solutions Ltd, which has a carrying value of £4.8 million. Subsequently, the Directors have performed sensitivity analysis on their projections for this subsidiary, with key assumptions being revised adversely to reflect the potential for assets under administration to be 25% below expected levels and a 49% increase on the pre-tax discount rate applied to cash flows. The value-in-use continued to support the carrying value of the investment with headroom of £17.6 million.

4 Profit for the year

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own income statement for the year. The Company reported a profit of £85,616,000 for the year ended 30 September 2024 (2023: £43,445,000). This profit was generated from the Company's principal activity which is that of a holding company.

The auditor's remuneration for the audit and other services is disclosed in note 6 of the consolidated financial statements.

5 Dividends

Details of dividends paid during the year are disclosed in note 11 of the consolidated financial statements.

6 Investments

	2024 £000	2023 £000
Cost		
As at 1 October	**33,237**	32,783
Share-based payments	**522**	(139)
Below-market element of loans to subsidiaries	**838**	593
At 30 September	**34,597**	33,237
Accumulated impairment losses		
As at 1 October	**(3,800)**	(3,800)
Accumulated impairment losses at 30 September	**(3,800)**	(3,800)
Carrying value at 30 September	**30,797**	29,437

The Company has investments in the ordinary share capital of the following subsidiaries at 30 September 2024:

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest and voting rights held 2024	2023
AJ Bell Business Solutions Limited[1]	Investment / Group administration	England and Wales	**100%**	100%
AJ Bell Management Limited[1]	Investment administration	England and Wales	**100%**	100%
AJ Bell Securities Limited[1]	Dealing and custody	England and Wales	**100%**	100%
AJ Bell Media Limited[1]	Media	England and Wales	**100%**	100%
AJ Bell Asset Management Limited[1]	Investment management services	England and Wales	**100%**	100%
AJ Bell Touch Limited[1]	Intermediate holding company	England and Wales	**100%**	100%
Ad Alpha Solutions Limited	Technology company	England and Wales	**100%**	100%
AJ Bell EBT Limited[1]	Dormant	England and Wales	**100%**	100%
AJ Bell Digital Savings Limited[1]	Dormant	England and Wales	**100%**	100%
AJ Bell Platinum Limited[1]	Dormant	England and Wales	**100%**	100%
AJ Bell Trustees Limited	Dormant	England and Wales	**100%**	100%
AJ Bell (PP) Trustees Limited	Dormant	England and Wales	**100%**	100%
Ashby London Trustees Limited	Dormant	England and Wales	**100%**	100%
Ashby London (PP) Trustees Limited	Dormant	England and Wales	**100%**	100%
Lawshare Nominees Limited	Dormant	England and Wales	**100%**	100%
Sippdeal Limited	Dormant	England and Wales	**100%**	100%
Sippdeal Trustees Limited	Dormant	England and Wales	**100%**	100%
Whitehead Trustees Limited	Dormant	England and Wales	**100%**	100%

1. Indicates direct investment of AJ Bell plc.

The financial statements for the year ended 30 September 2024 of AJ Bell EBT Limited have been exempted from audit under s479A of the Companies Act 2006 by way of parent guarantee from AJ Bell plc.

The registered office of all subsidiaries is 4 Exchange Quay, Salford Quays, Manchester, M5 3EE.

7 Leases

During the year the Company entered into a property lease which was subsequently novated into a Group subsidiary on 30 September 2024. The right-of-use asset and lease liability recognised on entering the lease were disposed of on novation.

Depreciation of £104,000 and interest on lease liabilities of £51,000 has been recognised in the year.

8 Trade and other receivables

	2024 £000	2023 £000
Amounts due within one year:		
Amounts owed by Group undertakings	**2,778**	2,451
Prepayments	**61**	55
Accrued income	**178**	–
	3,017	2,506

Included within amounts owed by Group undertakings is £2,451,000 (2023: £2,451,000) relating to a loan issued to AJ Bell Business Solutions Limited by the Company in relation to costs incurred by AJ Bell Business Solutions Limited in renewing IT infrastructure and administration systems in order to enhance products and services for the Group. The loan is interest free and repayable on demand.

	2024 £000	2023 £000
Amounts due after one year:		
Amounts owed by Group undertakings	**12,794**	8,973
	12,794	8,973

Amounts owed by Group undertakings relate to loans issued to AJ Bell Touch Limited and Ad Alpha Solutions Ltd by the Company. The loan to AJ Bell Touch Limited was issued to facilitate the acquisition of Ad Alpha Solutions Ltd. The loan to Ad Alpha Solutions Ltd is a working capital arrangement issued in relation to the costs of developing the simplified mobile-focused platform proposition for financial advisers. The loans are unsecured, interest free, and repayable on demand within 13 months' notice.

9 Trade and other payables

	2024 £000	2023 £000
Accruals	**1,041**	324
Amounts owed to Group undertakings	**–**	636
	1,041	960

10 Related party transactions

Transactions with key management personnel

The key management personnel of the Group and the Company are the same. The related party disclosure is given in note 28 of the consolidated financial statements.

Transactions with Group companies

During the year the Company entered into the following transactions with its subsidiaries:

	2024 Receivable £000	2024 Payable £000	2023 Receivable £000	2023 Payable £000
Recharges	**155**	**592**	–	595
Dividends received	**86,000**	**–**	44,000	–
	86,155	**592**	44,000	595

The Company's balances with fellow group companies at the reporting date are set out in notes 8 and 9 of the Company financial statements.

All transactions with fellow group companies are to be settled in cash. None of the balances are secured and no provisions have been made for doubtful debts for any amounts due from fellow group companies.

11 Called-up share capital

The Company's share capital is disclosed in note 23 of the consolidated financial statements.

12 Subsequent events

There have been no material events occurring between the reporting date and the date of approval of these financial statements.

Making investing easy

“I would hugely recommend AJ Bell as a company and I have switched everything over to them. I use them for Dealing, SIPP, ISA and for my kids a JISA and J-SIPP. They have a fantastic fund range with transparent low charges and an easy to use (and actually useful!) app.”

Simon Wallis
AJ Bell customer

Trustpilot

Expensive → Low-cost

Our efficient single operating model enables us to share the benefits of scale with our customers, providing them with one of the most competitively-priced platforms in the market. Across our broad investment range, we operate a clear, **low-cost** pricing structure with no hidden charges.

Consolidated unaudited five-year summary

for the year ended 30 September 2024

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Results					
Revenue	**269,435**	218,234	163,847	145,826	126,749
Profit from operations	**107,278**	86,220	58,981	55,851	49,236
Profit before tax	**113,283**	87,661	58,411	55,084	48,550
Profits attributable to equity holders of AJ Bell plc	**84,295**	68,219	46,739	43,822	38,829
Assets employed					
Non-current assets	**31,616**	29,517	31,978	30,621	24,395
Current assets	**257,265**	204,805	133,504	131,521	116,945
Current liabilities	**(70,795)**	(55,254)	(17,689)	(15,999)	(15,303)
Non-current liabilities	**(14,096)**	(13,031)	(14,399)	(15,435)	(16,571)
Net assets	**203,990**	166,037	133,394	130,708	109,466
Financed by					
Equity	**203,990**	166,037	133,394	130,708	109,466
Key statistics					
Earnings per share (pence)	**20.46**	16.59	11.39	10.71	9.51
Fully diluted earnings per share (pence)	**20.34**	16.53	11.35	10.67	9.47
Ordinary dividend per share paid in year (pence)	**11.50**	8.09	7.28	7.12	4.83
Special dividend per share paid in year (pence)	**–**	–	5.00	–	–
Ordinary dividend per share declared with respect to profits generated in year (pence)	**8.25**	10.75	7.37	6.96	6.16
Special dividend per share declared with respect to profits generated in year (pence)	**–**	–	–	5.00	–

Glossary

Adalpha	AJ Bell Touch Limited and its wholly-owned subsidiaries
AGM	Annual General Meeting
AI	Artificial Intelligence
AJBIC	AJ Bell Investcentre
APM	Alternative Performance Measures
AQR	Audit Quality Review
BAYE	Buy As You Earn
Board, Directors	The Board of Directors of AJ Bell plc
BPP	Business Planning Process
BPS	Basis points
BVCM	Beyond Value Chain Mitigation
CAM	Combined Assurance Model
CASS	Client Assets Sourcebook
CBT	Computer-Based Training
CCP	Core Carbon Principles
CDP	Carbon Disclosure Project
CGU	Cash Generating Unit
CMI	Chartered Management Institute
CODM	Chief Operating Decision Maker
CSOP	Company Share Option Plan
CSR	Corporate Social Responsibility
D2C	Direct to Consumer
DC	Defined Contribution
DE&I	Diversity, Equality and Inclusion
DEFRA	Department for Environment, Food & Rural Affairs
DEPS	Diluted Earnings Per Share
DOT	Diversity of Thought
DPO	Data Protection Officer
DTR	Disclosure Guidance and Transparency Rules
DWP	Department for Work and Pensions
EIP	Executive Incentive Plan
EPC	Energy Performance Certificate
EPS	Earnings Per Share
ERC	Executive Risk Committee
ESG	Environmental, Social and Governance
ETF	Exchange Traded Fund
EVF	Employee Voice Forum
EVIC	Enterprise Value Including Cash
ExCo	Executive Committee (formerly EMB)
F&SS	Funds & Shares Service
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FRS	Financial Reporting Standards
FTE	Full Time Equivalent
FTSE	The Financial Times Stock Exchange
FX	Foreign Exchange
GHG	Greenhouse Gas
GPTW	Great Place to Work
HMRC	His Majesty's Revenue and Customs
HR	Human Resources
IAS	International Accounting Standards
ICARA	Internal Capital and Risk Assessment
ICO	Information Commissioner's Office
ICVCM	Integrity Council for the Voluntary Carbon Market
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IHT	Inheritance tax
IPO	Initial Public Offering
ISA	Individual Savings Account
ISO	International Organisation for Standardisation
ISSB	International Sustainability Standards Board
IT	Information Technology
KOS	Key Operating System
KPI	Key Performance Indicator
KRI	Key Risk Indicator
LISA	Lifetime ISA
MEES	Minimum Energy Efficiency Standard
MiFID	Markets in Financial Instruments Directive
MIFIDPRU	Prudential Sourcebook for MiFID Investment Firms
MLRO	Money Laundering Reporting Officer
MPS	Managed Portfolio Service
MSCI	Morgan Stanley Capital International
NCO	Nil Cost Options
NGFS	Network for Greening the Financial System
OCF	Ongoing Charges Figure
OEIC	Open-Ended Investment Company
OTB	Option To Buy
PBT	Profit Before Tax
PCAF	Partnership for Carbon Accounting Financials
PLC	Public Limited Company
PR&U	Principal Risks and Uncertainties
PRI	Principles of Responsible Investment
R&CC	Risk & Compliance Committee
RCSA	Risk and Control Self-Assessment
REGO	Renewable Energy Guarantees of Origin
RMF	Risk Management Framework
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDR	Sustainability Disclosure Requirements
SID	Senior Independent Director
SIPP	Self-Invested Personal Pension
SME	Subject Matter Experts
SMF	Senior Manager Function
SMIP	Senior Management Incentive Plan
SRI	Socially Responsible Index
TCFD	Task Force on Climate-related Financial Disclosures
TSR	Total Shareholder Return
UN SDG	United Nations Sustainable Development Goals
WACI	Weighted Average Carbon Intensity
WRAP	Worldwide Responsible Accredited Production
WTT	Well-To-Tank

Definitions

Ad valorem	According to value
AUA	Assets Under Administration
AUM	Asset Under Management
Customer retention rate	The customer retention rate is the average number of funded platform customers during the financial year that remain funded at the year end
Lifetime value	The total amount of revenue a business expects to generate over the lifetime of a customer
Listing rules	Regulations subject to the oversight of the FCA applicable to companies listed on a UK stock exchange
MSCI ESG rating	MSCI's assessment of a Company's resilience to long-term, industry material ESG risks and how well they manage those risks relative to peers
Own shares	Shares held by the Group to satisfy future incentive plans
Platforum	The advisory and research business specialising in investment platforms
Recurring ad valorem revenue	Includes custody fees, retained interest income and investment management fees
Recurring fixed revenue	Includes recurring pension administration fees and media revenue
Revenue per £ AUA	Represents revenue as a percentage of the average AUA in the year. Average AUA is calculated as the average of the opening and closing AUA in each quarter averaged for the year
Transactional revenue	Includes dealing fees and pension scheme activity fees
UK Corporate Governance Code	A code which sets out standards for best boardroom practice with a focus on Board leadership and effectiveness, remuneration, accountability and relations with shareholders

UN SDGs target definitions

3.8	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
4.4	By 2030, substantially increase the number of youths and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.
10.2	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
13.2	Integrate climate change measures into national policies, strategies and planning.

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