Interim results

for the six months ended 31 March 2023

AJ Bell plc ('AJ Bell' or the 'Company'), one of the UK's largest investment platforms, today announces its interim results for the six-month period ended 31 March 2023.

Highlights

Financial performance

- Strong financial performance, with revenue up 37% to £103.6 million (HY22: £75.5 million) and profit before tax (PBT) up 61% to £41.9 million (HY22: £26.1 million)
- PBT margin of 40.4% (HY22: 34.6%), driven by an increased revenue margin of 29.0bps (HY22: 20.3bps)
- Diluted earnings per share up 57% to 7.96 pence (HY22: 5.08 pence)
- Interim dividend of 3.50 pence per share, up 26% versus prior year (HY22: 2.78 pence)

Platform business

- Another period of growth for the platform business, with customer numbers up by 7% in the first half to 455,008
- Platform assets under administration (AUA) up 7% in the first half to £68.6 billion, driven by net inflows of £2.0 billion (HY22: £3.0 billion) and favourable market movements of £2.5 billion
- Strong customer retention rate maintained at 95.5% (HY22: 95.5%)

AJ Bell Investments

- Assets under management (AUM) increased by 39% in the first half to close at £3.9 billion
- Record net inflows in the period of £0.9 billion (HY22: £0.4 billion underlying net inflows)

Michael Summersgill, Chief Executive Officer at AJ Bell, commented:

"Our first-half results announced today demonstrate the strength of our business model and how our diversified revenue streams enable us to perform well in a range of different market conditions. Revenue increased 37% to £103.6 million and profit before tax rose 61% to £41.9 million which means we can continue to invest in our customer offering, our people and our brand, whilst simultaneously increasing our interim dividend to shareholders.

We continue to focus intently on our customer proposition and service offering, which has ensured we continue to welcome new customers to our platform and retain existing ones. This helped generate strong net inflows of £2 billion during a period of challenging market conditions, which contributed to platform assets under administration increasing to £68.6 billion.

The strength of our pension offering ensures we are in a good position to benefit from the removal of the pension lifetime allowance charge and increases to pension annual allowances in April. We have campaigned for pension simplification for many years and believe these welcome changes will give customers the freedom to invest more in their pensions without having to worry about tax penalties as their investments grow over time.

We have recently called for similarly bold action from the Government in the ISA market in order to further simplify investing for consumers. At their core ISAs are a simple, tax-efficient savings account but the multiple versions that now exist make it hard for people to know which one is right for them. We believe there only needs to be one ISA that condenses the multiple variants back into a single product that is easy to understand and more likely to encourage investment.

Our dual-channel platform and range of low-cost investment solutions help people take control of their investments, whether they do that on their own or with the help of a financial adviser. This breadth of offering, combined with high service standards and competitive charges, positions us well to continue attracting new customers and assets to our platform and further increase our market share."

Financial highlights

	Six months ended 31 March 2023	Six months ended 31 March 2022	Change
Revenue	£103.6 million	£75.5 million	37%
Revenue margin*	29.0bps	20.3bps	8.7bps
PBT	£41.9 million	£26.1 million	61%
PBT margin	40.4%	34.6%	5.8ppts
Diluted earnings per share	7.96 pence	5.08 pence	57%
Interim dividend per share	3.50 pence	2.78 pence	26%

Non-financial highlights

	Six months ended 31 March 2023	Year ended 30 September 2022	Change
Number of retail customers	**469,929**	**440,589**	**7%**
Platform	455,008	425,652	7%
Non-platform	14,921	14,937	-
AUA*	**£73.8 billion**	**£69.2 billion**	**7%**
Platform	£68.6 billion	£64.1 billion	7%
Non-platform	£5.2 billion	£5.1 billion	2%
AUM*	**£3.9 billion**	**£2.8 billion**	**39%**
Customer retention rate	**95.5%**	**95.5%**	**-**

*see alternative performance measures

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Results presentation details

A pre-recorded video with Michael Summersgill (CEO) and Peter Birch (CFO) discussing these results will be available on our website (ajbell.co.uk/group/investor-relations) along with an accompanying investor presentation from 07.00 BST today. Management will be hosting a meeting for registered sell-side analysts at 09.30 BST today. Attendance is by invitation only.

Management will also be hosting a group call for investors at 15.00 BST today. Please contact Camilla Crowe at c.crowe@numis.com for registration details.

Forward-looking statements

These results contain forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding AJ Bell's intentions, beliefs or current expectations concerning, among other things, its results of operations, financial condition, prospects, growth, strategies, and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of these results and AJ Bell does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these results.

Chief Executive Officer's report

I am pleased to announce a strong set of results for the first half of the year. Our low-cost, dual-channel platform, combined with our well-diversified revenue model, enabled us to increase our platform market share whilst delivering excellent shareholder returns. Our investment in long-term initiatives positions us well to deliver continued growth and further market share gains in both the advised and D2C markets.

Continued organic growth and excellent financial performance

Our dual-channel platform delivered a 7% increase in platform customers during the period, reaching 455,008 (FY22: 425,652) by 31 March 2023. In addition to attracting thousands of new customers, we maintained our high customer retention rate of 95.5% (FY22: 95.5%). Platform AUA also increased by 7%, closing at £68.6 billion (FY22: £64.1 billion). Momentum built in the run-up to the tax year end, with £0.6 billion of the net inflows of £2.0 billion achieved in the period coming in the month of March alone. Crucially, over three-quarters of inflows were invested in tax wrappers, showing that we continue to attract customers who are investing over the long term.

Our range of in-house investment solutions also delivered excellent growth with total AUM closing at £3.9 billion (FY22: £2.8 billion), up by 39% in the six-month period, and continuing its strong growth momentum heading into the new tax year with AUM passing £4.0 billion in early April. Customers and advisers alike are increasingly attracted to our low-cost investment solutions which have an impressive track record of outperforming their Investment Association sector average over several years.

Our diversified revenue streams help us to deliver strong financial performance in a range of different macroeconomic environments. This aspect of our business model enabled us to continue investing in long-term initiatives that we believe will drive our future growth, whilst also absorbing some inflationary pressures into our cost base. Revenue increased as customer numbers grew and interest generated on cash balances on the platform increased, the latter being a result of the numerous increases in the UK base rate in the period together with elevated average customer cash balances. This increase in revenue allowed us to pay a competitive interest rate to customers, protect our staff from significant increases in the cost of living, make planned investments in technology and brand, whilst also delivering a 61% increase in PBT to £41.9 million (HY22: £26.1 million).

The Board has declared an interim dividend of 3.50 pence per share, which represents a higher proportion of the total prior year dividend than stipulated by our dividend policy. In setting the interim dividend, the Board has considered the expected growth in profitability for the full year and agreed to adjust the phasing of the dividend payments in the current financial year to ensure that there is an appropriate rate of growth in the interim dividend. Our full year dividend policy remains unchanged.

Delivering value for our customers

We strive to deliver a market-leading platform by combining low cost, ease of use and excellent customer service.

Our dedication to providing high-quality customer service is paramount to our ongoing success and would not be possible without the skills and passion of our highly engaged workforce. Their expertise and work ethic is reflected in our AJ Bell Trustpilot score of 4.7 stars; one of the very highest in the platform market, and our recognition as a Which? recommended investment platform provider for four consecutive years.

The benefits of operating at scale, coupled with our efficient operating model, allow us to maintain highly competitive prices for our customers alongside our excellent service. We reduced a number of charges across our full-service propositions in the second half of FY22 and this philosophy of sharing the benefits of our scale with our customers will remain central to our thinking as we continue to grow the business.

Our range of low-cost investment solutions has continued to provide great value for customers, delivering strong investment returns whilst maintaining an extremely competitive Ongoing Charges Figure (OCF). These investment solutions are increasingly valued by advisers, with significant net inflows experienced throughout the period from advised customers both on our own platform and competitor platforms.

Our open architecture platform remains attractive in different macroeconomic environments, enabling customers to access a broad range of investments. In the current interest rate environment, cash and fixed income products are more attractive to some customers. Our platform provides them with access to a range of fixed income investments across all account types, such as gilts, which have been among the top net invested instruments on our D2C platform in the period, and our Cash savings hub, which provides access to a range of competitive notice and fixed-term deposit accounts.

Investment in technology and brand

We are continually investing in our technology, with a focus on ease of use. In the period we delivered enhanced mobile app functionality across both our full-service advised and D2C propositions, as well as introducing multiple new features including an investment watchlist for our D2C customers. We also continued to develop our pension finding service, following a successful first phase, which once fully integrated will offer customers a quick and easy solution to transfer their existing pensions.

Our simplified propositions, Touch and Dodl, broaden our reach to a new generation of investors across both D2C and advised market segments which we believe are currently underserved by platforms. The development of Touch, our mobile-led platform proposition for advisers, is ongoing with a closed beta launch completed in the first half of the year. In the D2C market, we were delighted that Dodl has been recognised with multiple industry awards following its launch over a year ago, including the Your Money Best Lifetime ISA and Boring Money's Best for Beginners 2023.

For many new customers, trust and brand awareness are key drivers of their decision when choosing an investment platform. We are proud to have built a trusted brand through our high-quality platform propositions, and in the first half of the year we commenced our multi-year strategy to enhance awareness of our brand and enable us to continue increasing our share of the growing platform market.

This work began with us retiring the AJ Bell Youinvest sub-brand, renaming our full-service D2C platform as AJ Bell, simplifying the journey for new customers and improving the effectiveness of our direct marketing activity. Following this, we increased our brand-building activity by launching our new 'feel good, investing' multi-channel advertising campaign in January and announcing our new five-year partnership as the title sponsor of the Great Run series, including the flagship AJ Bell Great North Run, which is the world's largest half-marathon and the UK's biggest running event, with 60,000 entrants.

Market developments

The 2023 Budget shone a spotlight on pensions for all the right reasons, with a number of significant changes being announced that will benefit consumers. AJ Bell has long campaigned for pensions to be simplified, and specifically for the Lifetime Allowance to be abolished and the Money Purchase Annual Allowance to be increased. We were therefore pleased to see these two changes confirmed by the Chancellor, along with the Annual Allowance being uplifted to £60,000 and the threshold for the high-income taper being increased, which strengthen the overall attractiveness of pension savings.

We have also called on the Government to overhaul ISAs in order to further simplify the UK savings system for consumers. Over the years a once simple product has fragmented into multiple versions with different rules and benefits. In proposals presented to the Chancellor, we have outlined a system which combines the many current versions into one ISA product that would be easy for people to understand and would encourage more investment.

Preparing for the new Consumer Duty has been a significant focus within the business ahead of the 31 July 2023 implementation deadline. The focus on positive customer outcomes in the Consumer Duty is aligned with the way we have always run our business and we feel well placed to continue operating to the highest standards in the industry.

We were disappointed to see the pensions dashboards project delayed because it has the potential to raise awareness and help people engage with lost pensions. This is a problem that will be exacerbated by auto-enrolment and the fluid job market, with people potentially accumulating multiple pension pots. The delay does at least provide an opportunity to review some of the areas which are in need of improvement if pensions dashboards are to be effective.

A more positive development was the FCA stepping back from plans to introduce a new Core Advice regime for ISAs and instead to focus on its previously announced review of the advice-guidance boundary. This is an important piece of work and I welcome the involvement of the Treasury alongside the FCA. There is a real opportunity for this review to identify ways in which people who cannot afford or do not want financial advice can be helped and guided to make better financial decisions.

Board changes

We were delighted to welcome Fiona Clutterbuck to the Board as our new non-executive Chair on 1 May 2023. Fiona has a wealth of experience in our sector and will be able to support and challenge the executive team whilst leading the Board as we continue to grow the business.

A message from our Chair, Fiona Clutterbuck

"I am delighted, as the new Chair, that the business is announcing an excellent set of half-year results which, yet again, underlines the resilience and growth potential of AJ Bell's dual-channel platform. My initial very favourable impression of the business has only been enhanced by the dialogue I have had with Michael, the Board and the executive team."

Following Fiona's appointment, Baroness Helena Morrissey stepped down from the Board. I would like to thank Helena for her contribution to AJ Bell as Chair and look forward to working with her in her new consultancy role where we will continue to benefit from her passion and commitment to diversity and inclusion.

Outlook

Investment platforms provide an excellent solution for individuals looking to take control of their long-term investments. At AJ Bell, we operate a scalable investment platform that provides a high-quality, trusted service to our customers. Our continued investment in our advised and D2C propositions means we are well equipped and ready to serve both existing platform customers and new customers seeking to invest in the future.

We expect full-year revenue margins to be similar to those achieved in the first half, with an anticipated increase in the average interest rate earned being offset by a recent moderation in average customer cash balances from elevated levels seen earlier in the first half. This will enable us to generate improved returns for shareholders whilst continuing to invest in the long-term growth of the business to ensure we are able to capitalise on the significant opportunities presented in our market. Looking further ahead, we expect a slight compression in revenue margins beyond FY23. This is driven by the recent moderation in customer cash balances noted above, as well as our intention to continue sharing some of the benefits of our scale with customers through pricing.

Whilst the macroeconomic environment remains challenging for retail investors in the short term, the UK platform market continues to benefit from the long-term structural drivers of growth. For several years the platform market has grown at a faster rate than the broader financial services sector, and AJ Bell has grown at an even faster rate. We continue to see a structural shift from non-platform providers to platforms, where assets already in the financial system are migrated onto platforms to increase flexibility and reduce costs for customers. We expect this structural shift to continue to be a driver of significant long-term growth for AJ Bell.

Michael Summersgill
Chief Executive Officer

Financial review

Our diversified revenue model and scalable platform enabled us to deliver a strong financial performance in the first half of the year. Revenue increased by 37% to £103.6 million, enabling us to make planned investments in technology and brand to support our long-term growth ambitions, whilst also delivering a 61% increase in PBT to £41.9 million.

Business performance

Customers

Customer numbers increased by 29,340 during the period to a total of 469,929 (FY22: 440,589). This growth has been driven by our platform propositions, with our advised platform customers up by 6% and our D2C platform delivering an 8% increase in customers. In addition, our platform customer retention rate remained high at 95.5% (FY22: 95.5%).

	Six months ended 31 March 2023	Six months ended 31 March 2022	Year ended 30 September 2022
Advised platform	153,400	137,201	145,371
D2C platform	301,608	266,182	280,281
Total platform	**455,008**	**403,383**	**425,652**
Non-platform	14,921	14,926	14,937
Total	**469,929**	**418,309**	**440,589**

Assets under administration

Six months ended 31 March 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	2.6	1.8	**4.4**	0.1	**4.5**
Outflows	(1.5)	(0.9)	**(2.4)**	(0.1)	**(2.5)**
Net inflows	1.1	0.9	**2.0**	-	**2.0**
Market and other movements	1.4	1.1	**2.5**	0.1	**2.6**
As at 31 March 2023	47.3	21.3	**68.6**	5.2	**73.8**

Six months ended 31 March 2022

	Advised platform £bn	D2C platform £bn	Total platform £bn	Non-platform £bn	Total £bn
As at 1 October 2021	45.8	19.5	**65.3**	7.5	**72.8**
Inflows	3.2	2.2	**5.4**	0.1	**5.5**
Outflows	(1.7)	(0.7)	**(2.4)**	(0.3)	**(2.7)**
Net inflows/(outflows)	1.5	1.5	**3.0**	(0.2)	**2.8**
Market and other movements	(0.8)	(0.6)	**(1.4)**	(0.1)	**(1.5)**
As at 31 March 2022	46.5	20.4	**66.9**	7.2	**74.1**

We achieved robust platform gross AUA inflows in the period of £4.4 billion (HY22: £5.4 billion) despite a squeeze on household finances caused by high inflation and rising interest rates. Against this challenging backdrop, gross inflows were particularly strong in the run up to tax year end, with £1.2 billion added to the platform in March alone as customers and advisers took advantage of the annual pension and ISA allowances.

Platform outflows of £2.4 billion (HY22: £2.4 billion) were consistent with the comparative period, resulting in net platform AUA inflows of £2.0 billion (HY22: £3.0 billion).

Favourable market movements contributed £2.5 billion as global equity markets recovered some of the losses recorded in the prior year, resulting in closing platform AUA of £68.6 billion (FY22: £64.1 billion), up 7% since the year end.

Non-platform AUA closed at £5.2 billion (FY22: £5.1 billion) and is expected to remain relatively stable in future periods following the closure of our institutional stockbroking service in the prior financial year.

Assets under management

Our investment solutions continue to perform strongly and are highly valued by financial advisers, their clients and our retail customers. This is evidenced by record net inflows of £0.9 billion, with total AUM closing at £3.9 billion (FY22: £2.8 billion), a 39% increase in six months to March.

	Six months ended 31 March 2023 £bn	Six months ended 31 March 2022 £bn	Year ended 30 September 2022 £bn
Advised	2.2	1.4	1.7
D2C	1.2	0.9	1.0
Non-platform	0.5	0.1	0.1
Total	**3.9**	**2.4**	**2.8**

Financial performance

Revenue

	Unaudited Six months ended 31 March 2023 £000	Unaudited Six months ended 31 March 2022 £000	Audited Year ended 30 September 2022 £000
Recurring fixed	15,334	14,982	29,787
Recurring ad valorem	75,422	42,365	102,184
Transactional	12,855	18,181	31,876
Total	**103,611**	**75,528**	**163,847**

Revenue increased by 37% to £103.6 million (HY22: £75.5 million).

Revenue from recurring fixed fees increased by 2% to £15.3 million (HY22: £15.0 million) due to higher pension administration revenue from our advised platform customers.

Recurring ad valorem revenue grew by 78% to £75.4 million (HY22: £42.4 million). This growth was driven by a higher average interest rate earned on customer cash balances following increases in the Bank of England base rate from 2.25% to 4.25% by the end of March, as well as elevated average cash balances in the period. Our economies of scale enable us to benefit from these interest rate rises whilst also sharing the benefits with our customers, ensuring we pay a market-competitive rate on their cash balances.

Revenue from transactional fees decreased by 29% to £12.9 million (HY22: £18.2 million) due to reduced levels of dealing activity by D2C customers compared to the prior year. International dealing activity was particularly subdued, resulting in a 41% decline in foreign exchange revenue versus HY22.

Our overall revenue margin for the half year increased to 29.0 bps (HY22: 20.3 bps). Full year revenue margin is expected to remain around this level with recurring ad valorem revenue continuing to benefit from the higher interest rate environment, partially offset by the recent moderation in the proportion of AUA held in cash.

Administrative expenses

	Unaudited Six months ended 31 March 2023 £000	Unaudited Six months ended 31 March 2022 £000	Audited Year ended 30 September 2022 £000
Distribution	12,376	7,592	14,998
Technology	19,107	14,771	32,706
Operational and support	30,539	26,681	57,162
Total	**62,022**	**49,044**	**104,866**

Administrative expenses increased by 26% to £62.0 million (HY22: £49.0 million), in line with expectation, as we delivered our planned increased investment in our people, technology and brand, whilst absorbing some one-off inflationary impacts. Total staff costs increased by £5.0 million across the business driven by increased headcount to support our growth, and the roll out of a comprehensive new pay and benefits package which took effect on 1 October 2022, ensuring we remain an attractive employer and support our committed workforce.

Distribution costs increased by 63% to £12.4 million (HY22: £7.6 million) as we executed our plans to increase investment in our brand, as communicated in our year end results in December. This included the launch of our new 'feel good, investing' multi-channel brand advertising campaign in January. We expect the rate of increase in distribution costs versus the prior period to continue for the full year, as we remain committed to this higher level of investment in our brand, including our new partnership as the title partner of the AJ Bell Great Run series.

Technology costs increased by 29% to £19.1 million (HY22: £14.8 million) as a result of planned investment in our propositions and people, higher licensing and external hosting costs as we continue to grow, and one-off inflationary impacts. This cost line also includes a £0.5 million credit (HY22: expense of £1.1 million) relating to the share-based payment charge for the Touch earn-out arrangement, following further refinement to its planned features and target completion date.

Operational and support costs increased by 14% to £30.5 million (HY22: £26.7 million). The higher costs were driven by investment in pay and benefits for our people and increased headcount to support growth, with the latter increasing at a slower rate than customer numbers in the year to March 2023. This was partially offset by lower costs resulting from the reduced customer dealing activity compared to the prior year.

Profit and earnings

PBT of £41.9 million (HY22: £26.1 million) and PBT margin of 40.4% (HY22: 34.6%) was driven primarily by the higher revenue margin in the period.

Corporation tax for the period has been calculated at a rate of 22.0%, representing the average annual tax rate expected for the full year, as the standard rate of UK corporation tax increased from 19.0% to 25.0% on 1 April 2023. Our effective rate of tax for the period was 21.6% (HY22: 20.0%), which was marginally below the 22.0% rate as a result of the reversal of disallowable charges relating to the Touch earn-out arrangement.

Basic earnings per share increased by 57% to 7.99p (HY22: 5.10p). Diluted earnings per share (DEPS), which accounts for the dilutive impact of outstanding share awards, increased by 57% to 7.96p (HY22: 5.08p).

Financial position

Capital and liquidity

The Group's financial position remains strong, with net assets totalling £147.2 million (HY22: £115.9 million) at 31 March 2023 and a return on assets of 22% (HY22: 18%). We have continued to maintain a healthy surplus over our regulatory capital requirement throughout the period.

We operate a highly cash-generative business, with a short working-capital cycle that ensures profits are quickly converted into cash. We generated cash from operations of £47.9 million during the six-month period and held cash balances of £100.0 million at the period end (FY22: £84.0 million).

Dividend

The Board has declared an interim dividend of 3.50 pence per share, equating to a 26% increase from prior year (HY22: 2.78 pence per share). This represents a higher payment than would have resulted from applying our stated interim dividend policy, which would have resulted in an increase in the interim dividend of only 6% compared to an increase in diluted earnings per share for the period of 57%. The Board has therefore decided to declare a higher interim dividend to ensure the growth in interim dividend more closely aligns with the phasing of financial performance during the current year. The full year dividend policy of paying out 65% of statutory profit after tax remains unchanged.

The declared interim dividend reflects the financial strength of the business, as evidenced by our well-capitalised, profitable and highly cash-generative business model.

Peter Birch
Chief Financial Officer

Responsibility statement

Directors' responsibility statement

We confirm that to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK; and

b) the Interim management report includes a fair review of the information required by:

   i. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties facing the Group for the remaining six months of the financial year; and

   ii. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related-party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related-party transactions described in the last annual report that could do so.

By order of the Board:

Christopher Bruce Robinson
Company Secretary
24 May 2023

Independent review report to AJ Bell plc

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2023 which comprises the condensed consolidated income statement, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the related explanatory notes.

Basis for conclusion

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

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

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

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

Responsibilities of directors

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

In preparing the half-yearly financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

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

Use of our report

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

BDO LLP
Chartered Accountants
London, UK
24 May 2023

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

Condensed consolidated income statement

For the six months ended 31 March 2023

	Notes	Unaudited Six months ended 31 March 2023 £000	Unaudited Six months ended 31 March 2022 £000	Audited Year ended 30 September 2022 £000
Revenue		103,611	75,528	163,847
Administrative expenses		(62,022)	(49,044)	(104,866)
Operating profit		41,589	26,484	58,981
Investment income		801	13	198
Finance costs		(487)	(381)	(768)
Profit before tax		41,903	26,116	58,411
Tax expense	7	(9,064)	(5,216)	(11,672)
Profit for the period attributable to:				
Equity holders of the parent company		32,839	20,900	46,739
Earnings per ordinary share:				
Basic (pence)	8	7.99	5.10	11.39
Diluted (pence)	8	7.96	5.08	11.35

All revenue, profit and earnings are in respect of continuing operations.

There were no other components of recognised income or expense in any of the periods presented and consequently no statement of other comprehensive income has been presented.

The notes on pages 15 to 22 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of financial position

As at 31 March 2023

	Notes	Unaudited 31 March 2023 £000	Unaudited 31 March 2022 £000	Audited 30 September 2022 £000
Assets				
Non-current assets				
Goodwill		6,991	6,991	6,991
Other intangible assets	9	8,871	7,716	8,779
Property, plant and equipment	10	3,548	3,501	3,325
Right-of-use assets	10	11,463	12,531	12,273
Deferred tax asset		627	598	610
		31,500	31,337	31,978
Current assets				
Trade and other receivables		65,054	39,921	49,436
Current tax receivable		1,395	673	38
Cash and cash equivalents		100,040	73,205	84,030
		166,489	113,799	133,504
Total assets		197,989	145,136	165,482
Liabilities				
Current liabilities				
Trade and other payables		(34,374)	(11,555)	(15,604)
Lease liabilities		(1,613)	(1,658)	(1,566)
Provisions	11	(1,202)	(1,466)	(519)
		(37,189)	(14,679)	(17,689)
Non-current liabilities				
Lease liabilities		(11,586)	(13,058)	(12,395)
Provisions	11	(2,004)	(1,549)	(2,004)
		(13,590)	(14,607)	(14,399)
Total liabilities		(50,779)	(29,286)	(32,088)
Net assets		147,210	115,850	133,394
Equity				
Share capital	12	51	51	51
Share premium		8,963	8,917	8,930
Own shares		(582)	(488)	(473)
Retained earnings		138,778	107,370	124,886
Total equity		147,210	115,850	133,394

The notes on pages 15 to 22 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

For the six months ended 31 March 2023

	Share capital £000	Share premium £000	Own shares £000	Retained earnings £000	Total equity £000
Balance at 1 October 2022	51	8,930	(473)	124,886	133,394
Total comprehensive income for the period:					
Profit for the period	-	-	-	32,839	32,839
Transactions with owners, recorded directly in equity:					
Issue of shares	-	33	-	-	33
Dividends paid	-	-	-	(18,893)	(18,893)
Equity-settled share-based payment transactions	-	-	-	208	208
Deferred tax effect of share-based payment transactions	-	-	-	(31)	(31)
Tax relief on exercise of share options	-	-	-	106	106
Share transfer relating to EIP (note 12)	-	-	96	(96)	-
Payment of tax from employee benefit trust	-	-	-	(241)	(241)
Own shares acquired (note 12)	-	-	(205)	-	(205)
Total transactions with owners	-	33	(109)	(18,947)	(19,023)
Balance at 31 March 2023	51	8,963	(582)	138,778	147,210

	Share capital £000	Share premium £000	Own shares £000	Retained earnings £000	Total equity £000
Balance at 1 October 2021	51	8,658	(740)	122,739	130,708
Total comprehensive income for the period:					
Profit for the period	-	-	-	20,900	20,900
Transactions with owners, recorded directly in equity:					
Issue of shares	-	259	-	-	259
Dividends paid	-	-	-	(38,971)	(38,971)
Equity-settled share-based payment transactions	-	-	-	3,016	3,016
Deferred tax effect of share-based payment transactions	-	-	-	(224)	(224)
Tax relief on exercise of share options	-	-	-	162	162
Share transfer relating to EIP	-	-	252	(252)	-
Total transactions with owners	-	259	252	(36,269)	(35,758)
Balance at 31 March 2022	51	8,917	(488)	107,370	115,850

The notes on pages 15 to 22 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

For the six months ended 31 March 2023

	Notes	Unaudited six months ended 31 March 2023 £000	Unaudited six months ended 31 March 2022 £000	Audited year ended 30 September 2022 £000
Cash flows from operating activities				
Profit for the period		32,839	20,900	46,739
Adjustments for:				
Investment income		(801)	(13)	(198)
Finance costs		487	381	768
Income tax expense		9,064	5,216	11,672
Depreciation and amortisation		1,989	1,741	3,643
Share-based payment expense		435	2,193	4,728
Increase / (decrease) in provisions and other payables		683	(60)	(1,007)
Loss on disposal of property, plant and equipment		11	5	21
Increase in trade and other receivables		(15,618)	(5,513)	(11,974)
Increase / (decrease) in trade and other payables		18,770	(1,210)	2,839
Cash generated from operations		47,859	23,640	57,231
Income tax paid		(10,363)	(5,558)	(11,433)
Net cash flows from operating activities		37,496	18,082	45,798
Cash flows from investing activities				
Purchase of other intangible assets	9	(953)	(1,317)	(2,365)
Purchase of property, plant and equipment	10	(758)	(664)	(1,014)
Interest received		801	13	198
Net cash used in investing activities		(910)	(1,968)	(3,181)
Cash flows from financing activities				
Payments of principal in relation to lease liabilities		(783)	(878)	(1,716)
Payments of interest on lease liabilities		(487)	(381)	(768)
Proceeds from issue of share capital	12	33	259	272
Purchase of own shares for employee share schemes	12	(205)	-	-
Payment of tax from employee benefit trust		(241)	-	-
Dividends paid	13	(18,893)	(38,971)	(50,383)
Net cash used in financing activities		(20,576)	(39,971)	(52,595)
Net increase/(decrease) in cash and cash equivalents		16,010	(23,857)	(9,978)
Cash and cash equivalents at beginning of period		84,030	97,062	94,008
Cash and cash equivalents at end of period		100,040	73,205	84,030

The notes on pages 15 to 22 form an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

For the six months ended 31 March 2023

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 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.

2. Basis of preparation

The condensed consolidated interim financial statements ('interim financial statements') have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the IASB and adopted for use in the UK. They do not include all of the information and disclosures required for full annual financial statements and therefore should be read in conjunction with the AJ Bell plc Annual Report and Financial Statements for the year ended 30 September 2022, which were prepared under UK-adopted International Financial Reporting Standards.

The interim financial statements have been prepared on the historical cost basis and are presented in sterling, which is the currency of the primary economic environment in which the Group operates. All amounts have been rounded to the nearest thousand, unless otherwise stated.

The financial information contained in the interim financial statements does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information for the year ended 30 September 2022 has been derived from the audited financial statements of AJ Bell plc for that year, which have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor was:

i. unqualified; and

ii. did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and

iii. did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Group for the year ended 30 September 2022 are available to view online at ajbell.co.uk/group/investor-relations.

Going concern

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. These 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 interim report and therefore have continued to adopt the going concern basis in preparing the interim financial statements.

Significant accounting policies

The accounting policies adopted by the Group in these interim financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended 30 September 2022.

The following amendments and interpretations became effective during the period. Their adoption has not had any significant impact on the Group.

		Effective from
IAS 37	Onerous Contracts: Cost of Fulfilling a Contract (Amendments)	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	1 January 2022

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Critical accounting judgements and key sources of estimation uncertainty

In the preparation of the interim 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 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 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. Seasonality of operations

There is a peak in the Group's operational activity around the tax year end. This impacts the financial results primarily in March and April, either side of the interim period end. As such, no significant seasonal fluctuations affect the first or second half of the Group's financial year in isolation.

5. 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 condensed consolidated income statement and condensed consolidated statement of financial position.

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 the generation of revenues.

6. Revenue

The analysis of the consolidated revenue is disclosed within the Financial Review. The total revenue for the Group has been derived from its principal activities undertaken in the UK.

7. Taxation

Tax charged in the condensed consolidated income statement:

	Unaudited Six months ended 31 March 2023 £000	Unaudited Six months ended 31 March 2022 £000	Audited Year ended 30 September 2022 £000
Current taxation			
UK corporation tax	9,111	5,098	11,855
Adjustment to current tax in respect of prior periods	-	-	(238)
	9,111	5,098	11,617
Deferred taxation			
Origination and reversal of temporary differences	(41)	266	62
Adjustment to deferred tax in respect of prior periods	-	-	45
Effect of changes in tax rates	(6)	(148)	(52)
	(47)	118	55
Total tax expense	9,064	5,216	11,672

Corporation tax for the six months ended 31 March 2023 has been calculated at 22% (six months ended 31 March 2022: 19%; year ended 30 September 2022: 19%), representing the average annual effective tax rate expected for the full year, applied to the estimated assessable profit for the six-month period.

In addition to the amount charged to the income statement, certain tax amounts have been recognised directly in equity as follows:

	Unaudited Six months ended 31 March 2023 £000	Unaudited Six months ended 31 March 2022 £000	Audited Year ended 30 September 2022 £000
Deferred tax relating to share-based payments	31	224	275
Current tax relief on exercise of share options	(106)	(162)	(171)
	(75)	62	(104)

The charge for the period can be reconciled to the profit per the condensed consolidated income statement as follows:

	Unaudited Six months ended 31 March 2023 £000	Unaudited Six months ended 31 March 2022 £000	Audited Year ended 30 September 2022 £000
Profit before tax	41,903	26,116	58,411
UK corporation tax at 22% (six months ended 31 March 2022: 19%; year ended 30 September 2022: 19%)	9,222	4,962	11,098
Effects of:			
Expenses not deductible for tax purposes	(298)	399	669
Income not taxable in determining taxable profit	-	-	(86)
Amounts not recognised	146	3	236
Effect of tax rate changes to deferred tax	(6)	(148)	(52)
Adjustments to current and deferred tax in respect of prior periods	-	-	(193)
Total tax expense	9,064	5,216	11,672
Effective tax rate	21.6%	20.0%	20.0%

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 (six months ended 31 March 2022: 25%; year ended 30 September 2022: 19% or 25%). A deferred tax asset in respect of future share option deductions has been recognised based on the Company's share price at 31 March 2023.

Notes to the condensed consolidated financial statements (continued)

For the six months ended 31 March 2023

8. 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 period.

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume exercise of all potentially dilutive share options.

The calculation of basic and diluted earnings per share is based on the following data:

	Unaudited Six months ended 31 March 2023 £000	Unaudited Six months ended 31 March 2022 £000	Audited Year ended 30 September 2022 £000
Earnings			
Earnings for the purposes of basic and diluted EPS being profit attributable to equity holders of the parent company	32,839	20,900	46,739

	Unaudited Six months ended 31 March 2023 Number	Unaudited Six months ended 31 March 2022 Number	Audited Year ended 30 September 2022 Number
Number of shares			
Weighted average number of ordinary shares for the purposes of basic EPS in issue during the period	411,091,145	410,008,946	410,248,095
Effect of potentially dilutive share options	1,496,987	1,602,638	1,485,721
Weighted average number of ordinary shares for the purposes of fully diluted EPS	412,588,132	411,611,584	411,733,816

	Unaudited Six months ended 31 March 2023	Unaudited Six months ended 31 March 2022	Audited Year ended 30 September 2022
Earnings per share			
Basic (pence)	7.99	5.10	11.39
Diluted (pence)	7.96	5.08	11.35

9. Other intangible assets

	Key operating systems £000	Contractual customer relationships £000	Customer software £000	Total £000
Cost				
As at 1 October 2021	11,681	2,135	6,469	20,285
Additions	1,372	-	768	2,140
Disposals	-	-	(343)	(343)
As at 31 March 2022	13,053	2,135	6,894	22,082
Additions	1,377	-	282	1,659
Disposals	-	(2,135)	(140)	(2,275)
As at 30 September 2022	14,430	-	7,036	21,466
Additions	726	-	-	726
As at 31 March 2023	**15,156**	**-**	**7,036**	**22,192**
Amortisation				
As at 1 October 2021	7,191	2,135	4,945	14,271
Amortisation charge	169	-	269	438
Eliminated on disposal	-	-	(343)	(343)
As at 31 March 2022	7,360	2,135	4,871	14,366
Amortisation charge	168	-	428	596
Eliminated on disposal	-	(2,135)	(140)	(2,275)
As at 30 September 2022	7,528	-	5,159	12,687
Amortisation charge	169	-	465	634
As at 31 March 2023	**7,697**	**-**	**5,624**	**13,321**
Carrying amount				
As at 31 March 2023	**7,459**	**-**	**1,412**	**8,871**
As at 30 September 2022	6,902	-	1,877	8,779
As at 31 March 2022	5,693	-	2,023	7,716

Additions include an amount of £726,000 relating to internally generated assets for the period ended 31 March 2023 (six months ended 31 March 2022: £2,098,000; year ended 30 September 2022: £3,556,000).

Total additions in the period are net of a credit of £227,000 related to the reversal of capitalised share-based payment expenses (six months ended 31 March 2022: additions of £823,000; year ended 30 September 2022: additions of £1,434,000). The reversal recognised in the period is due to a change in estimate regarding the expected vesting dates for the earn-out arrangement (note 14).

Notes to the condensed consolidated financial statements (continued)

For the six months ended 31 March 2023

10. Changes in capital expenditure

During the six months ended 31 March 2023, the Group acquired plant and equipment with a cost of £758,000 (six months ended 31 March 2022: £664,000; year ended 30 September 2022: £1,014,000).

Additions to the cost of right-of-use assets were £21,000 in the six months ended 31 March 2023 (six months ended 31 March 2022: £nil; year ended 30 September 2022: £538,000).

11. Provisions

	Office dilapidations £000	Other provisions £000	Total £000
As at 1 October 2021	1,549	1,526	3,075
Provisions used	-	(60)	(60)
As at 31 March 2022	1,549	1,466	3,015
Additional provisions	455	-	455
Provisions used	-	(197)	(197)
Unused provision reversed	-	(750)	(750)
As at 1 October 2022	2,004	519	2,523
Additional provisions	-	810	810
Provisions used	-	(127)	(127)
As at 31 March 2023	2,004	1,202	3,206
Current liabilities	-	1,202	1,202
Non-current liabilities	2,004	-	2,004

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. The office dilapidations provision represents management's best estimate of the costs which will ultimately be incurred in settling these obligations.

Other provisions

The other provisions relate to the settlement of an operational tax dispute, the costs associated with defending a legal case and compensation required to settle a small number of disputed claims. There is some uncertainty regarding the amount and timing of the outflows required to settle the obligations; therefore a best estimate has been made by assessing a number of different outcomes considering the potential areas and time periods at risk and any associated interest. The timings of the outflows are uncertain and could be paid within 12 months of the date of the statement of financial position, subject to the timing of a final resolution.

12. Share capital

	Unaudited Six months ended 31 March 2023	Unaudited Six months ended 31 March 2022	Audited Year ended 30 September 2022
Issued, fully-called and paid:	**£**	**£**	**£**
Ordinary shares of 0.0125p each	51,511	51,382	51,386
Issued, fully-called and paid:	**Number**	**Number**	**Number**
Number of ordinary shares of 0.0125p each	412,089,436	411,053,142	411,091,634

All ordinary shares have full voting and dividend rights.

The following share transactions have taken place during the period:

Transaction type	Share class	Number of shares	Share premium £000
Exercise of CSOP options	Ordinary shares of 0.0125p each	31,462	33
Exercise of EIP options	Ordinary shares of 0.0125p each	408,433	-
Free shares issue	Ordinary shares of 0.0125p each	557,907	-
		997,802	33

Own shares

As at 31 March 2023, the Group held 511,192 own shares in employee benefit trusts (31 March 2022: 584,877; 30 September 2022: 567,100). During the period 60,000 ordinary own shares were purchased through our employee benefit trust in exchange for consideration of £205,000 in order to satisfy future share incentive plans.

During the period 115,908 EIP options were exercised and satisfied by the transfer of shares through our employee benefit trust.

See note 17 for details of transactions that have occurred after the reporting period.

13. Dividends

The following dividends were declared and paid by the Company during the period:

	Unaudited Six months ended 31 March 2023 £000	Unaudited Six months ended 31 March 2022 £000	Audited Year ended 30 September 2022 £000
Final dividend for the year ended 30 September 2021 of 4.50p per share	-	18,460	18,460
Special dividend for the year ended 30 September 2021 of 5.00p per share	-	20,511	20,511
Interim dividend for the year ended 30 September 2022 of 2.78p per share	-	-	11,412
Final dividend for the year ended 30 September 2022 of 4.59p per share	18,893	-	-
Ordinary dividends paid on equity shares	18,893	38,971	50,383

An interim dividend of 3.50 pence per share was approved by the Board on 24 May 2023 and is payable on 30 June 2023 to shareholders on the register at the close of business on 9 June 2023. The ex-dividend date will be 8 June 2023. This dividend has not been included as a liability as at 31 March 2023.

The employee benefit trusts, which held 511,192 ordinary shares (31 March 2022: 584,877; 30 September 2022: 567,100) in AJ Bell plc at 31 March 2023, have agreed to waive all dividends. See note 17 for details on transactions that have occurred after the reporting period.

14. Share-based payments

During the period the Group recognised a total share-based payment expense in the income statement of £435,000 (six months ended 31 March 2022: £2,193,000; year ended 30 September 2022: £4,728,000) and reversed £227,000 of capitalised share-based payment expense (six months ended 31 March 2022: capitalised £823,000; year ended 30 September 2022: capitalised £1,434,000) within the statement of financial position.

The reversal recognised in the period is due to a change in estimate regarding the expected vesting dates for the earn-out arrangement. Under the terms of the earn-out arrangement, shares will be awarded to eligible employees conditional upon the successful completion of certain performance milestones and their continued employment with the Group during the vesting period. The performance condition included within the arrangement is not considered a market condition and therefore the expected vesting will be reviewed at each reporting date.

The Group operates the same equity-settled share-based payment arrangements as reported at 30 September 2022 with the exception of the below new scheme introduced during the period.

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.

15. Principal risks and uncertainties

We continually review the principal risks and uncertainties facing the Group that could pose a threat to the delivery of our strategic objectives. The Board believes that the nature of the principal risks and uncertainties that may have a material effect on the Group's performance over the remainder of the financial year remain unchanged from those presented within the 2022 annual report and accounts.

The Group has reviewed the impact of the war on Ukraine and concluded that whilst the level of inherent risk for some of Group's principal risks and uncertainties has increased, e.g. information security / cyber-attacks, the Group's controls continue to mitigate this increase in risk. The Group will continue to monitor and respond to any new developments from the war in Ukraine that may impact the Group.

16. Related-party transactions

Other related-party transactions

On 1 October 2022 Andy Bell stepped down as CEO into a consultancy role for the Group. In his capacity as a consultant, he was paid £88,000 in the period.

There were no other changes to the related-party relationships or significant transactions during the financial period that would materially affect the financial position or performance of the Group. All other transactions are consistent in nature with the disclosure in note 28 of the consolidated financial statements for the year ended 30 September 2022.

17. Subsequent events

On 3 April 2023 84,847 ordinary own shares were purchased in exchange for consideration of £295,000 in order to satisfy share awards under the Group's employee share plans, through our employee benefit trust. As at 3 April 2023, the Group holds 596,039 own shares in employee benefit trusts.

There have been no other material events occurring between the reporting date and the date of approval of these condensed consolidated financial statements.

18. Cautionary statement

The interim results for the six months ended 31 March 2023 contain forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding AJ Bell's intentions, beliefs or current expectations concerning, among other things, its results of operations, financial condition, prospects, growth, strategies, and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of these interim results and AJ Bell does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these interim results.

Alternative performance measures

Within the interim report and condensed financial statements, various Alternative Performance Measures (APM) are referred to. APMs are not defined by International Financial Reporting Standards 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. The table below states those which have been used, how they have been calculated and why they have been used.

APMs	How have they been calculated	Why they have been used
Assets Under Administration (AUA)	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.
Revenue margin	Revenue margin is the total revenue generated during the year expressed as a percentage of the average AUA in the year.	Revenue margin provides a simple measurement to facilitate comparison of our charges with our competitors.
Assets Under Management (AUM)	AUM is the value of assets for which AJ Bell provides a management service.	AUM is a measurement of the growth of the business and is a driver of ad valorem revenue.

Definitions

AUA	Assets Under Administration
AUM	Assets Under Management
Board, Directors	The Board of Directors of AJ Bell plc
Bps	Basis points
Company	AJ Bell plc
CSOP	Company Share Option Plan
Customer retention rate	Relates to platform customers
DEPS	Diluted earnings per share
D2C	Direct-to-Consumer
EIP	Executive Incentive Plan
EPS	Earnings per share
ExCo	Executive Committee
FCA	Financial Conduct Authority
FTSE	Financial Times Stock Exchange
HMRC	His Majesty's Revenue and Customs
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards
ISA	Individual Savings Account
OCF	Ongoing Charges Figure
Own Shares	Shares held by the Group to satisfy future incentive plans
PBT	Profit before tax
Plc	Public Limited Company
Ppts	Percentage points
SIPP	Self-Invested Personal Pension
SMIP	Senior Manager Incentive Plan
UK	United Kingdom
VAT	Value Added Tax

Company information

Executive Directors

Michael Summersgill
Peter Birch
Roger Stott

Non-Executive Directors

Fiona Clutterbuck (appointed on 1 May 2023)
Helena Morrissey (resigned on 30 April 2023)
Evelyn Bourke
Eamonn Flanagan
Margaret Hassall
Simon Turner

Company Secretary

Christopher Bruce Robinson

Company number

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