Interim results
for the six months ended 31 March 2024

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 2024.

Highlights

Financial performance

- Very strong financial performance, with revenue up 27% to £131.3 million (HY23: £103.6 million) and profit before tax (PBT) up 47% to £61.4 million (HY23: £41.9 million)
- PBT margin of 46.8% (HY23: 40.4%), driven by an increased revenue margin of 32.3bps (HY23: 29.0bps)
- Diluted earnings per share up 40% to 11.11 pence (HY23: 7.96 pence)
- Interim dividend of 4.25 pence per share, up 21% versus prior year (HY23: 3.50 pence)

Platform business

- Over half a million customers, with 27,000 added in the first half to close at 503,000
- Platform AUA up 13% in the first half to a record £80.3 billion, driven by net inflows of £2.9 billion (HY23: £2.0 billion) and favourable market movements of £6.5 billion
- Customer retention rate remained high at 94.5% (HY23: 95.5%)

AJ Bell Investments

- Assets under management ("AUM") up 23% in the first half to close at £5.8 billion
- Strong net inflows in the period of £0.8 billion (HY23: £0.9 billion net inflows)

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

"I am pleased to announce an excellent set of first-half results. Our dual-channel platform continued to deliver strong organic growth with 27,000 customers added in the period and total platform customers surpassing half a million, a significant milestone for the business. We attracted platform net inflows of £2.9 billion, up 45% versus the prior year, to take closing platform AUA to a record £80.3 billion. This growth in customers and AUA drove very strong financial performance, with both revenue and profit before tax up significantly.

Our continued strong business performance led us to review our approach to capital allocation and the Board has recently approved a new capital allocation framework which reaffirms our commitment to a progressive annual ordinary dividend. We have declared an increased interim dividend for the current year which is up 21% to 4.25 pence per share, equating to 40% of last year's total ordinary dividend.

Our significant scale and strong profitability has enabled us to continue investing in several areas to support our long-term growth ambitions. We are in the second year of our multi-channel brand campaign and are now reaping some of the benefits of this investment, with our brand awareness showing a meaningful improvement over the course of the last year. This has helped us achieve strong customer and AUA growth and gives us the confidence to continue investing in this area as we look to further strengthen the awareness of AJ Bell amongst new and existing retail investors.

We are delighted to have launched our new Ready-made pension to help people easily consolidate their existing pensions with AJ Bell and invest them automatically via our low-cost, in-house investment solutions. We have a strong, trusted reputation in the pensions market with many of our existing customers having already consolidated their old pensions with AJ Bell. The Ready-made pension makes the pension consolidation journey even easier, further broadening our appeal to ensure we capitalise on the significant growth opportunity in the UK pensions market.

Our philosophy is to use our economies of scale to provide customers with one of the most competitively-priced platforms in the market. On 1 April we reduced our custody fees for advised customers and halved our headline dealing fee for D2C customers to £5, whilst also increasing the interest rates payable on cash balances held across our products. This focus on keeping our charges low, combined with high service standards and easy to use products, puts us in a very strong position to continue growing our market share in the future.

The recent pricing changes were implemented later than originally planned due to regulatory uncertainty around retention of interest margin at the tail end of 2023. Whilst the changes are now live, the delay resulted in particularly strong financial performance in the first half as revenue margins and PBT margin were elevated. These metrics will moderate in the second half as customers begin to benefit from lower overall charges, however our updated full-year guidance reflects our expectation that both revenue and PBT will be higher than we had anticipated back in December.

We remain focused on our long-term organic growth strategy that has enabled us to increase our market share year after year. The platform market benefits from significant, structural growth drivers and the investments we are making in our brand and propositions put us in a great position to take advantage of that opportunity in the years to come."

Financial highlights

	Six months ended 31 March 2024	Six months ended 31 March 2023	Change
Revenue	£131.3 million	£103.6 million	27%
Revenue per £AUA*	32.3bps	29.0bps	3.3bps
PBT	£61.4 million	£41.9 million	47%
PBT margin	46.8%	40.4%	6.4ppts
Diluted earnings per share	11.11 pence	7.96 pence	40%
Interim dividend per share	4.25 pence	3.50 pence	21%

Non-financial highlights

	Six months ended 31 March 2024	Year ended 30 September 2023	Change
Number of retail customers	**518,000**	**491,000**	**5%**
Platform	503,000	476,000	6%
Non-platform	15,000	15,000	-
AUA*	**£85.8 billion**	**£76.1 billion**	**13%**
Platform	£80.3 billion	£70.9 billion	13%
Non-platform	£5.5 billion	£5.2 billion	6%
AUM*	**£5.8 billion**	**£4.7 billion**	**23%**
Customer retention rate	**94.5%**	**95.2%**	**(0.7ppts)**

*see alternative performance measures

Contacts:

AJ Bell

- Shaun Yates, Investor Relations Director +44 (0) 7522 235 898
- Mike Glenister, Head of PR +44 (0) 7719 554 575

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/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 today at 15.00 BST. 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 delighted to report an excellent set of results for the first half of the year, as we continue to increase our share of the growing platform market. The investments we have made in our brand and propositions, alongside the reductions to our charges, strengthen our competitive position and ensure we are well-placed to capitalise on the significant long-term growth opportunity in our market.

Seizing the significant growth opportunity

We delivered significant organic growth in the first half of the year, increasing our share of the growing platform market and achieving very strong financial performance.

Our easy-to-use, low-cost propositions, serving both the advised and D2C market segments, have enabled us to win new business from competitors, whilst also attracting customers who were moving assets into the platform market. There remains approximately two-thirds of an estimated £3 trillion addressable market held off-platform, which provides a significant long-term opportunity as customers seek the flexibility and control that platforms offer.

Platform customers increased by 6% to 503,000 (FY23: 476,000). Surpassing half a million platform customers is a significant milestone for the business, up from just under 200,000 when we listed in 2018, reflecting the continued success of our business model which has enabled the execution of the organic growth strategy set out at IPO.

Platform AUA increased by 13% to a record £80.3 billion (FY23: £70.9 billion). This was driven by the investments we have continued to make in our brand and propositions. We achieved strong net AUA platform inflows of £2.9 billion (HY23: £2.0 billion). An increase in asset values across global equity markets led to favourable market movements of £6.5 billion (HY23: £2.5 billion).

AJ Bell Investments AUM increased by 23% to £5.8 billion (FY23: £4.7 billion). Our range of simple, low-cost funds and managed portfolios continues to prove particularly popular with financial advisers, regardless of which platform they use, driving strong flows via both AJ Bell Investcentre and third-party adviser platforms.

The continued growth of the business helped to deliver very strong financial performance, with revenue growing by 27% to £131.3 million (HY23: £103.6 million) and profit before tax increasing by 47% to £61.4 million (HY23: £41.9 million).

The Board has approved a new capital allocation framework which will see us move away from a targeted 65% ordinary dividend payout ratio in favour of a progressive ordinary dividend policy with no specific payout target. This new approach reflects both our confidence in the outlook for the business and our desire to optimise the mechanism by which capital is returned to shareholders.

Under our new framework we will formally review our capital position on an annual basis. Surplus capital that is not required to fund either organic investment in the business or potential inorganic investment opportunities to support our strategy will be returned to shareholders as additional capital returns, over and above ordinary dividends. Such distributions are expected be made via share buybacks or special dividends, with the precise mechanism to be determined on a case-by-case basis.

Investing in our propositions

A significant proportion of our addressable market sits in legacy pension products. Most people have several employers during their career, and subsequently accumulate a number of 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 recently 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.

On our full-service advised proposition, AJ Bell Investcentre, we have invested in improving efficiency and ease of use for advisers, helping them to remain focused on delivering excellent service to customers. We have rolled out significant enhancements to the client onboarding journey during the period. The new journey has been designed in conjunction with advisers, delivering an improved interface mapped to the advice process which streamlines new business procedures.

Whilst our platform has always provided a broad range of investment options, in this more normal interest rate environment, there has been increased demand for cash-like returns. There have been various developments to our platform propositions to enhance our capabilities in this space, notably the launch of the AJ Bell Money Market MPS for advisers. This product has no management fees and a low ongoing charges figure (OCF) of just 10bps.

Long-term cash savings represent a significant part of the addressable market for platforms such as ours. There are millions of people in the UK who hold cash savings for long periods of time, missing out on the superior returns offered by risk-based assets. Many of these customers are deterred from investing due to its perceived complexity and their own lack of confidence. Dodl provides an ideal platform to address this market opportunity and in the second half of our financial year we will be introducing a highly-competitive cash rate to attract this cohort of customers. Customers will be able to access investment content on the platform whilst building the confidence to invest via Dodl's streamlined investment range.

Reducing our charges

Our philosophy has always been to use our economies of scale to provide our customers with one of the most competitively-priced platforms in the market. Effective from 1 April, we have delivered another significant package of reduced charges and increased interest rates.

For our advised customers, we have reduced custody charges for assets held on the platform, as well as increasing the interest rates paid on customer cash balances and removing various transactional charges.

For our D2C customers, we have halved transactional 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.

We had planned to deliver these changes earlier in the financial year, however the changes were delayed whilst we awaited clarification from the FCA concerning interest paid on cash balances and the ability to use cross subsidies where they help to deliver positive outcomes for customers.

Increased brand awareness

Our high-quality platform propositions and market-leading customer service levels have enabled us to build a brand that is highly trusted by both D2C customers and financial advisers.

We are continuing our multi-year strategy to enhance brand awareness through our ongoing TV advertising campaign and title partnership with the AJ Bell Great Run Series. We are starting to see the benefits of these investments, driving new business volumes and increases in prompted and unprompted brand awareness. This gives us the confidence to continue investing in this area as we aim to further strengthen the awareness of AJ Bell amongst new and existing retail investors.

Market-leading customer service

Throughout this period of continued growth, we have once again delivered an excellent service to our customers. This is reflected in our market-leading 4.8-star Trustpilot score and our 94.5% platform customer retention rate. What underpins these excellent customer service levels is a clear philosophy about the support that customers and their advisers need when managing their investments.

Our primary focus is to deliver a secure and scalable platform, providing a high-quality digital solution for our customers. In the period we executed over 2 million trades, settled over 4 million transactions and made tens of thousands of pension payments – evidencing the scalability of our platform. Whilst the vast majority of customer interactions with the platform happen seamlessly, there are understandably points in the investment journey where customers and advisers seek a human touchpoint to support them with a query or transaction. In the last six months, our teams have answered over 200,000 such phone calls. It is crucial that support is readily available when needed, and this is where the knowledge, experience and dedication of our customer service teams shines through. The tax year end is always one of our busiest periods, with March 2024 being one of our busiest months ever. Even during this period of elevated customer activity, 94% of all calls we received were answered within 20 seconds.

This strong customer service is key to retaining the trust our customers have placed in us and supports the growth of the business through high customer retention and referral rates.

Market developments

Two emerging themes which have received significant coverage during the period are the health of the UK capital markets and the advice / guidance boundary review being jointly conducted by the Treasury and the FCA to explore different proposals to help close the advice gap that exists in the UK.

In relation to the former, plans for a new 'UK ISA' were announced in the March Budget statement, with the aim of boosting investment in the UK economy and reviving the London stock market. While the aims of the UK ISA are laudable, we do not believe this is the right solution. The product would only be relevant to investors who already utilise their £20,000 ISA allowance, meaning at most it will attract a few billion pounds of additional investment a year. In the context of the £2 trillion+ UK stock market, that is a drop in the ocean.

The UK ISA, if introduced, would also add extra complexity to an ISA picture that has already become too complicated. Our research shows complexity deters would-be retail investors from engaging with investing altogether, meaning that over the long term there is a high risk a UK ISA would actually be counterproductive.

We believe that the Government should focus on simplifying the ISA system for the benefit of investors by combining the best features of the current framework into a single 'One ISA' product. Attracting more retail investors will have a far greater impact on investment into the UK market than trying to squeeze a little extra investment out of those who fully utilise the current allowances available to them.

In the name of international competitiveness, we have also called for the Government to remove the stamp duty levied on most UK shares. Investors pay 0.5% in stamp duty on the price of the relevant UK-listed shares they buy, but the tax does not apply to the purchase of shares in the vast majority of the overseas markets to which we provide access, which can reduce the attractiveness of UK shares versus foreign shares. Removing this tax would be a simple and effective way of further boosting UK capital markets and there is plenty of research showing the wider economic benefits of this change. However, at this stage in the political cycle and with public finances tight, this is a change unlikely to feature in the next fiscal event despite its significant attractions.

In relation to the advice / guidance boundary review, we are working with the Treasury and the FCA on their joint review and there are some positive early signs from the policy paper published in December. The outcomes from this review have the potential to be a positive step forward in enabling good customer outcomes, particularly the proposed plans to allow firms to offer more personalised guidance through a 'Targeted Support' regime. Creating a new regulatory activity within existing permissions would potentially facilitate the provision of more useful guidance to millions of people who are unlikely to ever accumulate sufficient wealth for an independent financial adviser to provide a bespoke financial plan at an affordable price. As ever with such reviews, there is the risk the agenda is sidetracked and, in any event, implementation will take time. However, the potential is there for D2C platforms to provide a far greater level of support to retail investors who currently fall into the advice gap.

Outlook

There is a clear and well-understood need for individuals to take control of their long-term finances and investment platforms provide an excellent solution. This societal need has been at the heart of the structural growth in the platform market for many years and remains as relevant today as it has ever been. Whilst political change always causes some uncertainty, we remain confident that the long-term growth opportunity in the UK platform market will remain intact under any government.

The macroeconomic environment improved during the period, with UK inflation levels falling and global asset values increasing. These trends, alongside the anticipated future reductions to the Bank of England's base rate, are likely to increase the appetite for investing. The strength of our diversified revenue model means we can deliver sustainable revenue growth in different macroeconomic conditions.

Our philosophy remains to continually re-invest the benefits of our scale in our platform propositions with a focus on ease of use. Our most recent pricing changes ensure that we continue to offer outstanding value to our customers, which together with our trusted brand and market-leading customer service levels, mean we are well placed to capitalise on the significant opportunities presented by the growing platform market.

Michael Summersgill
Chief Executive Officer

Financial review

Our dual-channel platform delivered a very strong financial performance in the first half of the year. Revenue increased by 27% to £131.3 million, enabling us to make planned investments in long-term initiatives to support future growth, whilst also delivering a 47% increase in PBT to £61.4 million.

The strength of our diversified revenue model ensures we will continue to generate sustainable revenue growth in changing macroeconomic environments.

Business performance

Customers

	Six months ended 31 March 2024 '000	Six months ended 31 March 2023 '000	Year ended 30 September 2023 '000
Advised platform	165	153	159
D2C platform	338	302	317
Total platform	**503**	**455**	**476**
Non-platform	15	15	15
Total	**518**	**470**	**491**

Customer numbers increased by 27,000 during the period to a total of 518,000 (FY23: 491,000). This growth has been driven by our platform propositions, with our advised platform customers up by 4% and our D2C platform delivering a 7% increase in customers, reflecting the benefit from investments made to increase our brand awareness. In addition, our platform customer retention rate remained high at 94.5% (FY23: 95.2%).

Assets under administration

Six months ended 31 March 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	3.2	2.9	**6.1**	0.1	**6.2**
Outflows	(2.0)	(1.2)	**(3.2)**	(0.1)	**(3.3)**
Net inflows	1.2	1.7	**2.9**	-	**2.9**
Market and other movements	4.0	2.5	**6.5**	0.3	**6.8**
As at 31 March 2024	53.4	26.9	**80.3**	5.5	**85.8**

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**

We achieved significant platform gross AUA inflows in the period of £6.1 billion (HY23: £4.4 billion), with the increase driven by strong inflows from new customers. Gross AUA inflows were particularly strong in the run up to tax year end, with £1.4 billion added to the platform in March alone as customers and advisers took advantage of their annual pension and ISA allowances.

Platform outflows increased to £3.2 billion (HY23: £2.4 billion), as experienced across the industry. Advised platform outflows increased by £0.5 billion and D2C platform outflows increased by £0.3 billion, driven by the underlying growth of the business and higher levels of withdrawals as customers drew down on their investments amidst the continued cost of living pressures caused by inflation and higher interest rates.

This resulted in net platform AUA inflows of £2.9 billion (HY23: £2.0 billion), an increase of 45%.

Favourable market movements contributed £6.5 billion (HY23: £2.5 billion) as global equity markets continue to recover from headwinds experienced throughout 2023, resulting in record closing platform AUA of £80.3 billion (FY23: £70.9 billion), up 13% since the year end.

Non-platform AUA remained stable in line with our expectation, closing at £5.5 billion (FY23: £5.2 billion).

Assets under management

	Six months ended 31 March 2024 £bn	Six months ended 31 March 2023 £bn	Year ended 30 September 2023 £bn
Advised	3.2	2.2	2.5
D2C	1.5	1.2	1.3
Non-platform[1]	1.1	0.5	0.9
Total	**5.8**	**3.9**	**4.7**

[1] Non-platform AUM relates to AJ Bell funds and MPS' held on third-party platforms.

Our range of simple, low-cost investment solutions continues to prove popular, particularly with financial advisers, which is driving strong demand via both AJ Bell Investcentre and third-party adviser platforms. We achieved net inflows of £0.8 billion, alongside positive investment performance leading to market movements of £0.3 billion, resulting in total AUM closing at £5.8 billion (FY23: £4.7 billion). This is a 23% increase in the six months to March. The consistently strong growth of our investments business illustrates the success of our strategy in this area.

Financial performance

Revenue

	Unaudited Six months ended 31 March 2024 £000	Unaudited Six months ended 31 March 2023 £000	Audited Year ended 30 September 2023 £000
Recurring fixed	16,039	15,334	30,666
Recurring ad valorem	97,855	75,422	161,152
Transactional	17,360	12,855	26,416
Total	**131,254**	**103,611**	**218,234**

The strength of our diversified revenue model led to revenue increasing by 27% to £131.3 million (HY23: £103.6 million), driven by strong performance in our transactional and ad valorem revenues.

Revenue from recurring fixed fees increased by 5% to £16.0 million (HY23: £15.3 million) due to higher pension administration revenue from our advised platform, driven by the increase in customer numbers.

Recurring ad valorem revenue grew by 30% to £97.9 million (HY23: £75.4 million). The key drivers of this growth were increased custody fee income as a result of higher average platform AUA, along with higher rates of interest generated on cash balances held on the platform.

Revenue from transactional fees increased by 35% to £17.4 million (HY23: £12.9 million) due to higher levels of dealing activity as a result of improved retail investor sentiment. There has also been increased volumes of deals placed in international equities in the first half of the year, resulting in higher foreign exchange revenue versus the prior period.

Our overall revenue margin for the half year increased to 32.3bps (HY23: 29.0bps). Full year revenue margin is expected to be lower than half year as we continue to share the benefits of higher revenue margins with our customers. On 1 April 2024 we reduced our custody fees for advised customers and halved our standard dealing fee for D2C customers to £5. We also increased the interest rates payable on cash balances held across our products.

Administrative expenses

	Unaudited Six months ended 31 March 2024 £000	Unaudited Six months ended 31 March 2023 £000	Audited Year ended 30 September 2023 £000
Distribution	14,518	12,376	25,928
Technology	22,526	19,107	40,317
Operational and support	35,281	30,539	65,769
Total	**72,325**	**62,022**	**132,014**

Administrative expenses increased by 17% to £72.3 million (HY23: £62.0 million), in line with expectation, as we delivered our planned investment in our brand, technology and people. Total staff costs increased by £7.2 million across the business driven by increased headcount to support our growth, enhancements to our pay and benefits package, and higher performance-related variable pay following our strong financial performance.

Distribution costs increased by 17% to £14.5 million (HY23: £12.4 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 with over 12,000 new customers joining the platform in March alone. We also increased headcount in our marketing teams to deliver our multi-year strategy to enhance brand awareness, and continued investment in our advised business development team.

Technology costs increased by 18% to £22.5 million (HY23: £19.1 million). We have invested in increasing resource in our change teams in order to improve the speed at which we deliver further enhancements to our platform propositions. We also increased investment in external hosting costs utilising cloud technology and incurred higher licensing costs driven by the growth of the business.

Operational and support costs increased by 16% to £35.3 million (HY23: £30.5 million). This was primarily driven by increased headcount to support the growth of the business, as well as enhancements to staff pay and benefits and higher performance-related variable pay. 2% of the year-on-year increase was driven by higher transactional costs following an uptick in dealing volumes, these additional costs were more than offset by the 35% increase in transactional revenue referenced above.

Profit and earnings

Investment income of £2.9 million (HY23: £0.8 million) was driven by higher interest earned on corporate cash balances in the period.

PBT of £61.4 million (HY23: £41.9 million) and PBT margin of 46.8% (HY23: 40.4%) was driven primarily by the higher revenue margin in the period. Full year PBT margin is anticipated to be lower than the first half of the year, reflecting the expected reductions to revenue margin, although we expect it to be higher than the 38% we guided to in December.

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 broadly in line with this at 25.2% (HY23: 21.6%).

Basic earnings per share increased to 11.16 pence (HY23: 7.99 pence), up by 40%, which was lower than the 47% increase in PBT due to the increase in the corporation tax rate. Diluted earnings per share (DEPS), which accounts for the dilutive impact of outstanding share awards, increased by 40% to 11.11 pence (HY23: 7.96 pence).

Financial position

Capital and liquidity

The Group's financial position remains strong, with net assets totalling £180.6 million at 31 March 2024 (FY23: £166.0 million) and a return on assets for the six-month period of 25% (HY23: 22%). 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 £57.9 million during the six-month period and held cash balances of £161.8 million at the period end (FY23: £146.3 million).

Dividend

The Board has declared an interim dividend of 4.25 pence per share, a 21% increase from prior year (HY23: 3.50 pence per share), equating to 40% of last year's total ordinary dividend.

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:

Olubunmi Likinyo
Company Secretary
22 May 2024

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 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2024 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 Revised International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410 (Revised)"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 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 (Revised), however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of Directors

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

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

Auditor's responsibilities for the review of the financial information

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

Use of our report

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

BDO LLP
Chartered Accountants
London, UK
22 May 2024

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 2024

	Notes	Unaudited Six months ended 31 March 2024 £000	Unaudited Six months ended 31 March 2023 £000	Audited Year ended 30 September 2023 £000
Revenue		131,254	103,611	218,234
Administrative expenses		(72,325)	(62,022)	(132,014)
Operating profit		58,929	41,589	86,220
Investment income		2,903	801	2,393
Finance costs		(436)	(487)	(952)
Profit before tax		61,396	41,903	87,661
Tax expense	7	(15,446)	(9,064)	(19,442)
Profit for the period attributable to:				
Equity holders of the parent company		45,950	32,839	68,219
Earnings per ordinary share:				
Basic (pence)	8	11.16	7.99	16.59
Diluted (pence)	8	11.11	7.96	16.53

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 21 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of financial position

As at 31 March 2024

	Notes	Unaudited 31 March 2024 £000	Unaudited 31 March 2023 £000	Audited 30 September 2023 £000
Assets				
Non-current assets				
Goodwill		6,991	6,991	6,991
Other intangible assets	9	7,020	8,871	7,433
Property, plant and equipment	10	3,327	3,548	3,809
Right-of-use assets	10	9,992	11,463	10,800
Deferred tax asset		408	627	484
		27,738	31,500	29,517
Current assets				
Trade and other receivables		63,351	65,054	58,501
Current tax receivable		-	1,395	-
Cash and cash equivalents		161,844	100,040	146,304
		225,195	166,489	204,805
Total assets		252,933	197,989	234,322
Liabilities				
Current liabilities				
Trade and other payables		(54,831)	(34,374)	(52,437)
Current tax liability		(2,631)	-	(151)
Lease liabilities		(1,425)	(1,613)	(1,540)
Provisions	11	(1,109)	(1,202)	(1,126)
		(59,996)	(37,189)	(55,254)
Non-current liabilities				
Lease liabilities		(10,197)	(11,586)	(10,866)
Provisions	11	(2,165)	(2,004)	(2,165)
		(12,362)	(13,590)	(13,031)
Total liabilities		(72,358)	(50,779)	(68,285)
Net assets		180,575	147,210	166,037
Equity				
Share capital	12	52	51	52
Share premium		8,963	8,963	8,963
Own shares		(2,072)	(582)	(2,377)
Retained earnings		173,632	138,778	159,399
Total equity		180,575	147,210	166,037

The notes on pages 15 to 21 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

For the six months ended 31 March 2024

	Share capital £000	Share premium £000	Own shares £000	Retained earnings £000	Total equity £000
Balance at 1 October 2023	52	8,963	(2,377)	159,399	166,037
Total comprehensive income for the period:					
Profit for the period	-	-	-	45,950	45,950
Transactions with owners, recorded directly in equity:					
Issue of shares (note 12)	-	-	-	-	-
Dividends paid (note 13)	-	-	-	(29,891)	(29,891)
Equity-settled share-based payment transactions	-	-	-	(1,530)	(1,530)
Deferred tax effect of share-based payment transactions (note 7)	-	-	-	9	9
Tax relief on exercise of share options (note 7)	-	-	-	-	-
Share transfer relating to EIP (note 12)	-	-	305	(305)	-
Total transactions with owners	-	-	305	(31,717)	(31,412)
Balance at 31 March 2024	52	8,963	(2,072)	173,632	180,575

	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	-	-	96	(96)	-
Payment of tax from employee benefit trust	-	-	-	(241)	(241)
Own shares acquired	-	-	(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

The notes on pages 15 to 21 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

For the six months ended 31 March 2024

	Notes	Unaudited Six months ended 31 March 2024 £000	Unaudited Six months ended 31 March 2023 £000	Audited Year ended 30 September 2023 £000
Cash flows from operating activities				
Profit for the period		45,950	32,839	68,219
Adjustments for:				
Investment income		(2,903)	(801)	(2,393)
Finance costs		436	487	952
Income tax expense		15,446	9,064	19,442
Depreciation and amortisation		1,690	1,989	4,788
Share-based payment (credit)/expense		(595)	435	1,103
(Decrease)/increase in provisions		(17)	683	607
Loss on disposal of intangible assets, property, plant and equipment, and right-of-use assets		318	11	16
Increase in trade and other receivables		(4,850)	(15,618)	(9,065)
Increase in trade and other payables		2,394	18,770	36,833
Cash generated from operations		57,869	47,859	120,502
Income tax paid		(12,883)	(10,363)	(19,092)
Net cash flows from operating activities		44,986	37,496	101,410
Cash flows from investing activities				
Purchase of other intangible assets	9	(769)	(953)	(1,926)
Purchase of property, plant and equipment	10	(431)	(758)	(1,574)
Interest received		2,903	801	2,393
Net cash from/(used in) investing activities		1,703	(910)	(1,107)
Cash flows from financing activities				
Payments of principal in relation to lease liabilities		(822)	(783)	(1,576)
Payments of interest on lease liabilities		(436)	(487)	(952)
Proceeds from issue of share capital	12	-	33	34
Purchase of own shares for employee share schemes	12	-	(205)	(2,000)
Payment of tax from employee benefit trust		-	(241)	(241)
Dividends paid	13	(29,891)	(18,893)	(33,294)
Net cash used in financing activities		(31,149)	(20,576)	(38,029)
Net increase in cash and cash equivalents		15,540	16,010	62,274
Cash and cash equivalents at beginning of period		146,304	84,030	84,030
Cash and cash equivalents at end of period		161,844	100,040	146,304

The notes on pages 15 to 21 form an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

For the six months ended 31 March 2024

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 2023, 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 2023 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 2023 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 and a reduction in interest income with 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.

Changes in 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 2023.

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

		Effective from
IFRS 17	Insurance Contracts	1 January 2023
IAS 1	Amendments to IAS 1 Disclosure of Accounting Policies and IFRS Practice Statement 2	1 January 2023
IAS 8	Amendments to IAS 8 Definition of Accounting Estimates	1 January 2023
IAS 12	Amendments to IAS 12 Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

Notes to the condensed consolidated financial statements (continued)

For the six months ended 31 March 2024

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.

Notes to the condensed consolidated financial statements (continued)

For the six months ended 31 March 2024

7. Taxation

Tax charged in the condensed consolidated income statement:

	Unaudited Six months ended 31 March 2024 £000	Unaudited Six months ended 31 March 2023 £000	Audited Year ended 30 September 2023 £000
Current taxation			
UK corporation tax	15,360	9,111	19,750
Adjustment to current tax in respect of prior periods	-	-	(346)
	15,360	9,111	19,404
Deferred taxation			
Origination and reversal of temporary differences	86	(41)	(170)
Adjustment to deferred tax in respect of prior periods	-	-	341
Effect of changes in tax rates	-	(6)	(133)
	86	(47)	38
Total tax expense	15,446	9,064	19,442

Corporation tax for the six months ended 31 March 2024 has been calculated at 25% (six months ended 31 March 2023: 22%; year ended 30 September 2023: 22%), 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 2024 £000	Unaudited Six months ended 31 March 2023 £000	Audited Year ended 30 September 2023 £000
Deferred tax (credit)/charge relating to share-based payments	(9)	31	88
Current tax relief on exercise of share options	-	(106)	(123)
	(9)	(75)	(35)

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 2024 £000	Unaudited Six months ended 31 March 2023 £000	Audited Year ended 30 September 2023 £000
Profit before tax	61,396	41,903	87,661
UK corporation tax at 25% (six months ended 31 March 2023: 22%; year ended 30 September 2023: 22%)	15,349	9,222	19,293
Effects of:			
Expenses not deductible for tax purposes	(268)	(298)	(22)
Income not taxable in determining taxable profit	-	-	(16)
Amounts not recognised	365	146	325
Effect of tax rate changes to deferred tax	-	(6)	(133)
Adjustments to current and deferred tax in respect of prior periods	-	-	(5)
Total tax expense	15,446	9,064	19,442
Effective tax rate	25.2%	21.6%	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 (six months ended 31 March 2023: 25%; year ended 30 September 2023: 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 2024.

Notes to the condensed consolidated financial statements (continued)

For the six months ended 31 March 2024

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 2024 £000	Unaudited Six months ended 31 March 2023 £000	Audited Year ended 30 September 2023 £000
Earnings			
Earnings for the purposes of basic and diluted EPS being profit attributable to equity holders of the parent company	45,950	32,839	68,219

	Unaudited Six months ended 31 March 2024 Number	Unaudited Six months ended 31 March 2023 Number	Audited Year ended 30 September 2023 Number
Number of shares			
Weighted average number of ordinary shares for the purposes of basic EPS in issue during the period	411,731,332	411,091,145	411,242,458
Effect of potentially dilutive share options	1,911,955	1,496,987	1,405,191
Weighted average number of ordinary shares for the purposes of fully diluted EPS	413,643,287	412,588,132	412,647,649

	Unaudited Six months ended 31 March 2024	Unaudited Six months ended 31 March 2023	Audited Year ended 30 September 2023
Earnings per share			
Basic (pence)	11.16	7.99	16.59
Diluted (pence)	11.11	7.96	16.53

Notes to the condensed consolidated financial statements (continued)

For the six months ended 31 March 2024

9. Other intangible assets

	Key operating systems £000	Computer software £000	Total £000
Carrying amount at 1 October 2022	6,902	1,877	8,779
Additions	953	-	953
Share-based payments	(227)	-	(227)
Amortisation charge	(169)	(465)	(634)
Carrying amount as at 31 March 2023	7,459	1,412	8,871
Additions	966	7	973
Net book value of Disposals	-	(4)	(4)
Share-based payments	(986)	-	(986)
Amortisation and impairment charge	(168)	(1,253)	(1,421)
Carrying amount as at 30 September 2023	7,271	162	7,433
Additions	769	-	769
Share-based payments	(937)	-	(937)
Amortisation charge	(197)	(48)	(245)
Carrying amount as at 31 March 2024	**6,906**	**114**	**7,020**

Additions and share-based payments capitalised as key operating systems relate to internally generated intangible assets.

The reversal of share-based payments recognised in the period is due to the lapse of previously issued equity instruments under the earn-out arrangement (note 14).

10. Changes in capital expenditure

During the six months ended 31 March 2024, the Group acquired plant and equipment with a cost of £431,000 (six months ended 31 March 2023: £758,000; year ended 30 September 2023: £1,574,000).

Additions to the cost of right-of-use assets were £36,000 in the six months ended 31 March 2024 (six months ended 31 March 2023: £21,000; year ended 30 September 2023: £182,000).

Disposals of plant and equipment in the six months ended 31 March 2024 had a net book value of £318,000 (six months ended 31 March 2023: £nil; six months ended 30 September 2023: £11,000).

Notes to the condensed consolidated financial statements (continued)

For the six months ended 31 March 2024

11. Provisions

	Office dilapidations £000	Other provisions £000	Total £000
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
Additional provisions	161	-	161
Provisions used	-	(44)	(44)
Unused provision reversed	-	(32)	(32)
As at 1 October 2023	2,165	1,126	3,291
Unused provisions reversed	-	(17)	(17)
As at 31 March 2024	2,165	1,109	3,274
Current liabilities	-	1,109	1,109
Non-current liabilities	2,165	-	2,165

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 2024	Unaudited Six months ended 31 March 2023	Audited Year ended 30 September 2023
Issued, fully-called and paid:	**£**	**£**	**£**
Ordinary shares of 0.0125p each	51,626	51,511	51,526
Issued, fully-called and paid:	**Number**	**Number**	**Number**
Number of ordinary shares of 0.0125p each	413,009,978	412,089,436	412,211,306

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 EIP options	Ordinary shares of 0.0125p each	81,805	-
Free shares issue	Ordinary shares of 0.0125p each	716,867	-
		798,672	-

Own shares

As at 31 March 2024, the Group held 718,027 own shares in an employee benefit trust (31 March 2023: 511,192; 30 September 2023: 1,082,343).

During the period 364,316 EIP options were exercised and issued from the employee benefit trust.

Notes to the condensed consolidated financial statements (continued)

For the six months ended 31 March 2024

13. Dividends

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

	Unaudited Six months ended 31 March 2024 £000	Unaudited Six months ended 31 March 2023 £000	Audited Year ended 30 September 2023 £000
Final dividend for the year ended 30 September 2022 of 4.59p per share	-	18,893	18,893
Interim dividend for the year ended 30 September 2023 of 3.50p per share	-	-	14,401
Final dividend for the year ended 30 September 2023 of 7.25p per share	29,891	-	-
Ordinary dividends paid on equity shares	29,891	18,893	33,294

An interim dividend of 4.25 pence per share was approved by the Board on 22 May 2024 and is payable on 28 June 2024 to shareholders on the register at the close of business on 7 June 2024. The ex-dividend date will be 6 June 2024. This dividend has not been included as a liability as at 31 March 2024.

The employee benefit trust, which held 718,027 ordinary shares (31 March 2023: 511,192; 30 September 2023: 1,082,343) in AJ Bell plc at 31 March 2024, has agreed to waive all dividends.

14. Share-based payments

During the period the Group reversed share-based payment expenses of £595,000, resulting in a credit to the income statement (six months ended 31 March 2023 an expense of: £435,000; year ended 30 September 2023 an expense of: £1,103,000) and reversed £937,000 of capitalised share-based payment expense (six months ended 31 March 2023: reversed capitalised amount of £227,000; year ended 30 September 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.

The Group operates the same equity-settled share-based payment arrangements as reported at 30 September 2023 with the exception of the below new scheme introduced during the period.

Nil Cost Option Plan (NCO)

The NCO is a discretionary scheme in which the Board, at their discretion, grant options to employees to obtain ordinary shares at nil cost. Options granted under the NCO 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 NCO is recognised over the respective vesting period of these options.

15. Principal risks and uncertainties

We continually review the principal risks and uncertainties facing the Group which 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 2023 Annual Report and Accounts.

16. Related-party transactions

There were no 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 2023.

17. Subsequent events

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

18. Cautionary statement

The interim results for the six months ended 31 March 2024 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 consolidated 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
Customer retention rate	Relates to platform customers
DEPS	Diluted earnings per share
D2C	Direct-to-Consumer
Earn-out arrangement	Relates to shares awarded in connection with the development of Touch by AJ Bell, a simplified advised proposition.
EIP	Executive Incentive Plan
EPS	Earnings per share
ETF	Exchange Traded Fund
FCA	Financial Conduct Authority
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards
ISA	Individual Savings Account
IPO	Initial Public Offering
MPS	Managed Portfolio Service
NCO	Nil Cost Option
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
UK	United Kingdom

Company information

Executive Directors

Michael Summersgill
Peter Birch
Roger Stott

Non-Executive Directors

Fiona Clutterbuck
Evelyn Bourke
Eamonn Flanagan
Fiona Fry (appointed on 7 December 2023)
Margaret Hassall
Simon Turner (stepped down on 31 March 2024)
Les Platts

Company Secretary

Olubunmi Likinyo

Company number

04503206

Registered office

4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Principal banker

Bank of Scotland plc
The Mound
Edinburgh
EH1 1YZ

AJ Bell plc
4 Exchange Quay,
Salford Quays,
Manchester
M5 3EE
T: 0345 40 89 100

www.ajbell.co.uk

Company registration number
04503206