DELIVERING growth, strengthening PARTNERSHIPS

Tatton
ASSET MANAGEMENT PLC

ANNUAL REPORT AND ACCOUNTS | **2025**

CONTENTS

ROOTED in strength, delivering GROWTH

Tatton Asset Management plc

Tatton Asset Management plc has delivered another year of record net inflows, with our highest-yet levels of AUM, which has, in turn, driven another year of strong revenue and profit. As we look forward, we are excited by the future opportunities that we have as a business and about delivering the next phase of our growth and vision for the future.

HIGHLIGHTS

Adjusted operating profit[1]

£22.946*m*

2024 £18.514m +23.9%

Operating profit

£20.686*m*

2024 £16.464m +25.6%

Adjusted fully diluted EPS[1]

28.65*p*

2024 22.91p +25.1%

Diluted EPS

26.21*p*

2024 21.02p +24.7%

"These results are a testament to the dedication of our team and the strength of our partnerships with independent financial advisers."

Paul Hogarth

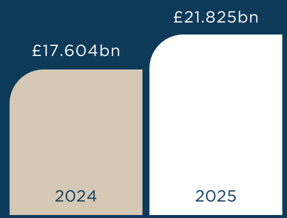
CHIEF EXECUTIVE OFFICER, TAM PLC

Group revenue

+23.1%

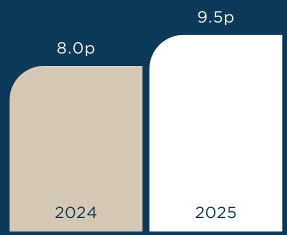
AUM/I[1]

+24.0%



Proposed final dividend

+18.8%



Financial

- Group revenue increased by 23.1% to £45.309m (2024: £36.807m)
- Adjusted operating profit[1] up 23.9% to £22.946m (2024: £18.514m), with operating profit of £20.686m, an increase of 25.6% (2024: £16.464m)
- Adjusted operating profit[1] margin increased to 50.6% (2024: 50.3%)
- Profit before tax increased by 28.9% to £21.596m (2024: £16.751m)
- Adjusted fully diluted earnings per share ("EPS")[1] increased to 28.65p (2024: 22.91p), while adjusted diluted EPS increased to 29.17p (2024: 23.32p) and basic EPS increased to 26.43p (2024: 21.39p)
- Final dividend of 9.5p (2024: 8.0p), with the full year dividend being 19.0p, an increase of 18.8% (2024: 16.0p)
- Strong financial liquidity position, with cash of £32.119m (2024: £24.838m)
- Strong balance sheet, with an increase in net assets to £50.552m (2024: £43.334m)

Read more on pages 32 to 34

Operational

- Tatton's discretionary assets under management ("AUM") increased by £4.321bn, or 26.1%, to £20.872bn (2024: £16.551bn)
- The Group's 50% ownership of 8AM Global Limited ("8AM" or "8AM Global") adds assets under influence ("AUI") of £0.953bn (2024: £1.053bn), resulting in AUM/I[1] totalling £21.825bn (2024: £17.604bn)
- Record organic net inflows of £3.687bn (2024: £2.303bn), or 22.3% of opening AUM, an average of £307m per month. Net inflows in H1 were £1.832bn, with a further £1.855bn being achieved in H2
- Tatton Investment Management added 135 new independent financial adviser ("IFA") firms in the year to reach a total of 1,110 IFA firm relationships, an increase of 13.8% (2024: 975). The number of client accounts increased by 22.0% to 153,915 (2024: 126,150)
- Paradigm Mortgages participated in mortgage completions totalling £14.2bn (2024: £13.1bn), an 8.1% increase year on year, with H2 completions of £7.5bn, ahead of H1 by 13.5%
- Net new mortgage member firms in the year were 124, but totalled 1,915 at the end of the year (2024: 1,916), following a rationalisation of a number of dormant firms. Consulting member firms totalled 425 at the end of the year (2024: 424)

Read more on pages 8 to 11

1. Alternative performance measures are detailed in note 27.

AT A GLANCE

Tatton Asset Management plc ("TAM") is one of the UK's leading on-platform model portfolio services ("MPS") discretionary fund managers ("DFMs"), working exclusively with independent financial advisers who seek third party investment and operational support in order to elevate outcomes for both advisers and their clients.

With offices in London, Manchester, and Birmingham, TAM provides award-winning services nationwide, including on-platform investment management, regulatory compliance, IFA consulting, and a comprehensive mortgage proposition.

TAM IN NUMBERS

Investment Management Division

1,110

Tatton firms

153,915

Private client accounts

IFA Support Services Division

1,915

Mortgage member firms

425

Consulting member firms

OUR PURPOSE

To be the provider of choice for independent financial advisers ("IFAs") and their end clients. We seek to provide the highest quality investment management and best-in-class IFA support services, with our number-one goal being the enhancement of outcomes for both advisers and their clients.

OUR VISION

To maintain our position as the provider of choice for IFAs and their end clients, to expand our propositions to meet the needs of our advisers and their clients, and to exceed the expectations of all our stakeholders.

OUR VALUES

Individually:

- ACT WITH INTEGRITY
- BE TRANSPARENT, HONEST, AND OPEN
- ACT WITHOUT PRETENCE
- BE STRAIGHTFORWARD, ADAPTABLE, AND CONSISTENT

Collectively:

- ACCUMULATE THE RIGHT LEVEL OF SKILLS, KNOWLEDGE, AND EXPERIENCE ACROSS THE ORGANISATION
- IDENTIFY, MANAGE, AND REGULARLY REVIEW THE RISKS IMPACTING TAM PLC
- DEVELOP A CULTURE THAT FOSTERS A COLLABORATIVE APPROACH TO CONTINUALLY IMPROVE

IN SUMMARY – WE STRIVE TO BE KNOWLEDGEABLE, TO BE CONSCIOUS OF RISK, AND TO CONTINUALLY IMPROVE

BUSINESS MODEL

OUR INPUTS

External Relationships

We provide investment, consultancy, and mortgage services to help IFAs support their clients, grow their business, and enhance their operations. Strong engagement with external service providers ensures effective distribution and service delivery, which in turn delivers value to our suppliers.

Talented People

Our organisation is dedicated to attracting, developing, and retaining exceptional individuals who possess diverse expertise and experience along with the requisite skills to execute our strategy and deliver high-quality service.

Capital Allocation

We allocate capital for regulatory requirements, for investments in our cost base where appropriate, and for pursuing acquisitions that boost earnings and enhance shareholder value.

Technology

We invest in technology through operational and capital expenditure, guided by the Group's potential to support long-term strategic growth.

Brand Recognition

Our brand strength grows each year through cost-effective marketing, including direct outreach, events, public relations, and referrals.

HOW WE GENERATE VALUE

Partnering with IFAs

We keep IFAs at the heart of our business model as we diligently manage their clients' investments, focusing on building strong, lasting relationships to help firms grow their clients' wealth, while continually enhancing our services to meet their changing needs.

Leading proposition

TAM remains a pioneer in the evolving wealth management sector, managing £21.8bn through risk-rated model portfolios, delivering consistent returns at competitive costs, and acting exclusively on IFAs' preferred platforms.

Meeting clients' financial goals

We support clients in achieving their long-term goals with adaptable, efficient portfolios and funds, building trust and loyalty through our over 10 year investment track record, excellent service, and diligent wealth management.

THE VALUE WE CREATE

Shareholders

The Group's profitable, cash-generative model, with recurring income and strong margins, supports our progressive dividend policy, as well as reinvestment to drive further growth.

IFAs

We support IFAs in servicing their clients' needs and in navigating complex regulations and we provide access to a broad network of lenders and distributors.

Society

Our products and services build trust in savings and investments. We're committed to social responsibility, meeting our environmental and societal duties while advancing our ESG goals.

Clients

We provide outstanding service and diligently manage clients' wealth with our adaptable, efficient, and cost-effective range of portfolios and funds.

Employees

Our staff drive client success and shareholder value, so we offer rewarding careers that promote growth and development.

Regulators

We engage with the FCA in an open and honest manner. We also provide input into consultation papers and industry focus groups.

OUR ENABLERS

Our strategy

Read more on page 16

Our risk management framework

Read more on page 23

Our high standards of corporate governance

Read more on page 58

How we engage with our stakeholders

Read more on page 50

INVESTMENT CASE

A best-in-class differentiated proposition:

Tatton is the UK's largest MPS provider, leading the market with its on-platform DFM service that is exclusively available to the clients of IFAs. Distinguished by its exemplary proposition, centred on three fundamental pillars: price, service, and proposition; Tatton stands out in the market. We value the regular feedback received from our IFAs regarding the exceptional customer service we offer. Coupled with our competitive pricing, over a decade of performance history, and a diverse array of investment options supported by the Tatton portal, these factors collectively enhance the appeal of our proposition to IFAs and their clients who are seeking comprehensive wealth management solutions.

+10 *year*

investment track record

15*bps*

annual management charge ("AMC") (DFM MPS)

50

risk-rated portfolios across 20 platforms

Strong financial fundamentals:

The Group's business model benefits from a high proportion of recurring revenue (90%) and operational gearing, resulting in adjusted operating profit margins above 50%, with adjusted fully diluted earnings per share of 28.65p (2024: 22.91p) and adjusted diluted earnings per share of 29.17p (2024: 23.32p). By the end of the year, there was £32.1m in cash on the balance sheet and net assets of £50.6m, showcasing strong cash generation, with over 100% of operating profit being converted into operating cash.

£45.3*m*

revenue (2024: £36.8m)

£32.1*m*

cash on the balance sheet (2024: £24.8m)

Strategic acquisitions and partnerships to accelerate growth:

Tatton's strategy to accelerate growth is driven by acquisitions and strategic partnerships. By integrating complementary businesses or expanding into new markets, Tatton aims to enrich its product offerings and broaden its client base. These initiatives are designed to foster long-term value creation for shareholders by leveraging synergies, enhancing operational efficiencies, and capturing emerging opportunities in the wealth management industry.

£953*m*

8AM Global AUI[1]

Expanding market opportunity in Model Portfolio Services ("MPS"):

Tatton is strategically positioned to leverage the growth potential of the MPS market. With evolving regulations such as Consumer Duty, more clients are being encouraged to adopt MPS solutions. This scenario presents a substantial growth opportunity for Tatton to compete for assets that are already invested, while IFAs benefit from maintaining complete control of their relationships. The current size of the on-platform DFM funds under management ("FUM") market stands at £182.9bn[2], with the historical growth shown on page 14.

£182.9*bn*

on-platform DFM FUM[2]

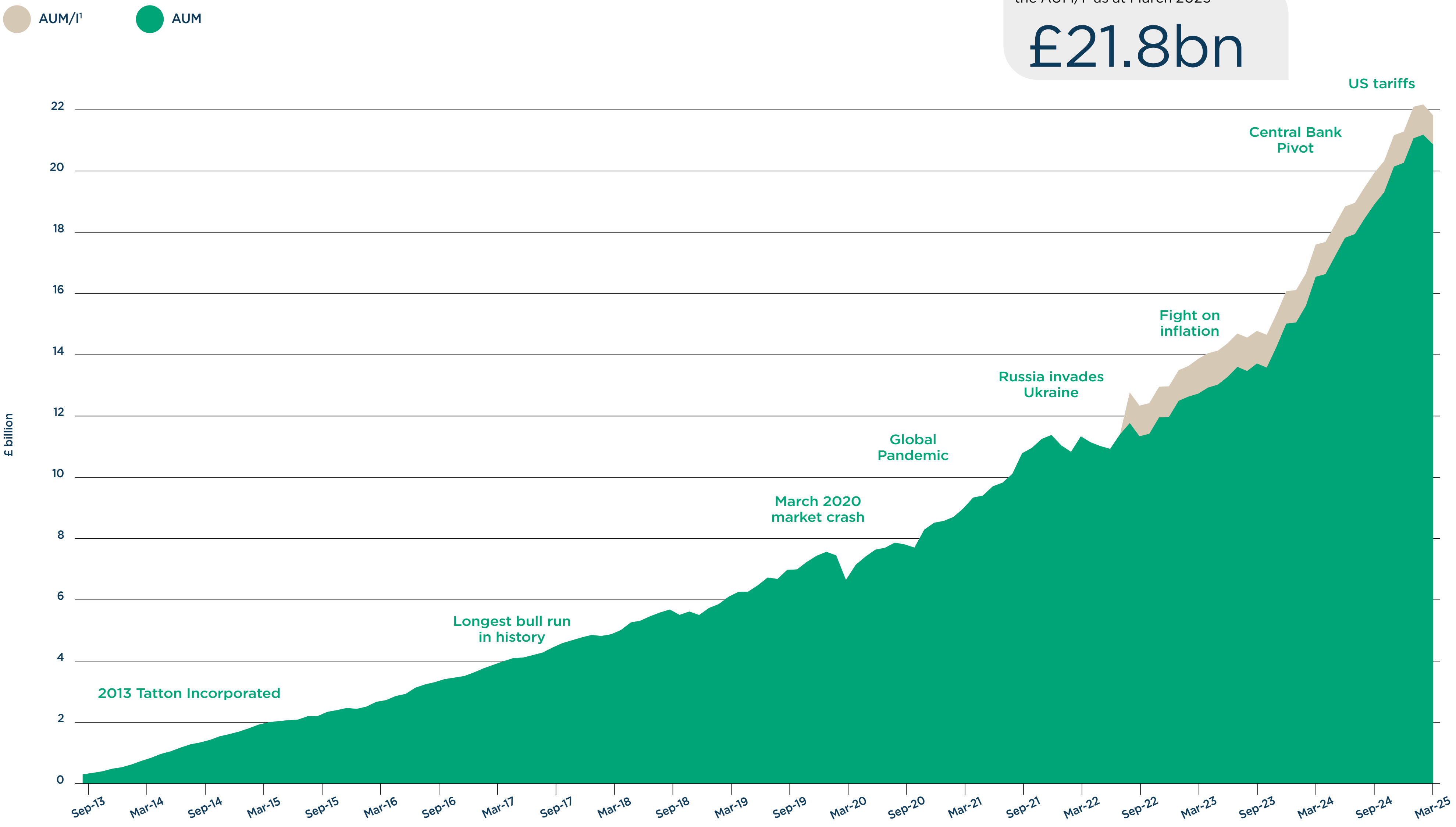
1. Alternative performance measures are detailed in note 27.
2. Source: Platforum.

INVESTMENT CASE CONTINUED

Tatton AUM/I[1] in £ billion

the AUM/I[1] as at March 2025

£21.8bn



CHAIRMAN'S REPORT

STRENGTH in COLLABORATION, results in ACTION

Introduction

Looking back on another very positive year, Tatton Asset Management plc ("TAM") has continued to develop the fundamental basis on which the Group was established at its public listing in 2017. We set out to focus on consistent long-term investment performance, while committing to both excellent client service and clear, effective communication – all of which have enabled independent financial advisers ("IFAs") to support their clients with confidence by utilising our wide range of investment capabilities.

Over the twelve month period under review, sustaining this approach has resulted in net inflows of £3.7bn, up from £2.3bn in the prior year, keeping us aligned with our "Roadmap for Growth" goal of £30bn in assets by March 2029. At the end of March 2025, our assets under management and influence[1] ("AUM/I") stood at £21.8bn.

Since its 2017 IPO, TAM has stood for empowering the IFA community. It is at the heart of what we do, and I'm confident that TAM will continue to prioritise this approach in the years ahead, enabling the Group to continue to deliver in line with shareholder expectations, external circumstances permitting.

Paradigm, our mortgage and IFA consultancy business, has, under its strong leadership, exhibited a robust performance throughout the year, notwithstanding the economic and political challenges prevailing in the United Kingdom. The consulting business is strategically positioned to sustain its delivery of expert regulatory guidance to IFAs, while concurrently providing critical strategic insights into their needs and expectations.

1. Alternative performance measures are detailed in note 27.

CHAIRMAN'S REPORT CONTINUED

In parallel, our mortgage business has achieved commendable results, outperforming the broader mortgage sector, and the Board maintains a positive outlook regarding the opportunities available to the business within this evolving market environment.

As highlighted in our year end trading update, I will be retiring as Chairman of TAM following the Annual General Meeting ("AGM") in July 2025. It has been a privilege to work with the very high quality management and staff who have enabled me to leave the Company on such a positive note, with AUM now at an all-time high – an achievement that reflects both the hard work of our dedicated team and the merit of the corporate commitment referred to above.

Financial Highlights

Group revenue increased by 23.1% to £45.3m (2024: £36.8m), while adjusted operating profit[1] rose by 23.9% to £22.9m (2024: £18.5m). The Group's operating profit also increased to £20.7m (2024: £16.5m), while profit before tax improved to £21.6m (2024: £16.8m). The impact of the above on fully diluted adjusted earnings per share[1] was an increase of 25.1% to 28.65p (2024: 22.91p), while basic earnings per share was 26.43p (2024: 21.39p).

Our People

The staff at TAM are fundamental to the Group's success. Their dedication and expertise drive the achievements outlined in this Annual Report, and their collective ambition, both personal and professional, generates the confidence and optimism that we have in the long-term success of the Group. On behalf of the Board, I would like to extend our sincere gratitude to every member of the team for their contributions over a gratifying twelve month period.

TAM remains committed to fostering a culture of inclusion, collaboration, and continuous professional development. Employees are empowered to take ownership of their work, with opportunities for growth and advancement being embedded in our ethos. The Group takes pride in its diverse and talented team and is dedicated to investing in their long-term success, enhancing the potential for the sustained growth of both its people and the business.

Role of the Board and its Effectiveness

The Board of Directors is responsible for governance and strategic oversight, ensuring that TAM is managed effectively and operates in the best interests of its shareholders and stakeholders. As Chairman, my primary responsibility has been to provide leadership to the Board, cultivating an environment that enables Directors to perform effectively, offer sound guidance, and make informed decisions. The Board is committed to ensuring that the Group upholds integrity and transparency in all its operations. In my view, the Board possesses a well-balanced mix of skills, allowing it to fulfil its duties effectively, while maintaining a clear understanding of the opportunities and challenges facing the Group.

UK Corporate Governance

The Board of Directors recognises the importance of good governance in the management of TAM and in the protection of shareholder interests. Now a member of the Quoted Companies Alliance, the Group is committed to maintaining high standards of corporate governance and has implemented full compliance with the new QCA Corporate Governance Code (the "QCA Code"). Governance practices are continuously reviewed to guarantee that they meet the evolving needs of the business and its stakeholders. Details of how we have applied the principles that form the QCA Code are provided throughout this Annual Report and are detailed on pages 60 to 62.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to act in good faith to promote the success of the Company for the benefit of its members as a whole. In doing so, they must consider the long-term impact of their decisions, the interests of employees, and the need to foster strong relationships with suppliers, customers, and other stakeholders. Directors must also take into account the Group's impact on the community and environment, the importance of maintaining a reputation for high ethical standards, and the need to treat all shareholders fairly. This ensures responsible governance and sustainable business growth in the long-term. Further information can be found on pages 52 and 53.

Dividends

Creating long-term sustainable shareholder value remains a core focus for the Board, so it is pleasing to note that TAM continues to deliver strong performance, enabling the retention of its balance sheet strength. Therefore, in line with the guidance given in the first half of the year, the Board is proposing a final dividend of 9.5p per share (see note 12). This brings the total ordinary dividend for the year to 19.0p per share, an increase of 18.8% on the prior year, which is covered 1.5 times by adjusted fully diluted earnings per share. Subject to shareholder approval at the forthcoming AGM, the dividend will be paid on 31 July 2025 to those shareholders who are on the register on 20 June 2025. The ex-dividend date will be 19 June 2025.

Outlook and Prospects

Reflecting on the past year, the Group can take pride in both its performance and its resilience in the face of a challenging economic landscape, unpredictable markets, and fluctuating trading conditions. Our robust trading results continue to be bolstered by consistent growth within the underlying MPS market, while we have made meaningful progress in advancing our strategic objectives across the Group. This progress has not only solidified our reputation within the industry but also underscored our commitment to delivering sustainable organic growth. With these achievements in mind, the Board remains appropriately confident over TAM's future trajectory.

In making my final statement as Chairman, I want to extend my warmest good wishes to Chris Poil as he assumes the role of Non-Executive Chairman. Having benefitted from his contribution as a Senior Non-Executive Director of TAM since 2017, I have every confidence in his ability to steer the Group through its next chapter of expansion, and I wish him every good fortune in this exciting endeavour. It has been both a privilege and a pleasure to serve alongside such a remarkable team, and I would like to thank all my colleagues on the Board, our talented senior management, and the hard-working employees of TAM for their contribution to what has been a very enjoyable period in office.

To our shareholders, your continued support has been the cornerstone of our accomplishments throughout my tenure, and for that, I am deeply grateful. I look forward to watching with pride as Tatton Asset Management plc continues to move forward and prosper in the years ahead.

ROGER CORNICK
CHAIRMAN

CHIEF EXECUTIVE OFFICER'S REVIEW

Sustained SUCCESS: RECORD £3.7bn net INFLOWS amid VOLATILITY

"FY25 marked another year of disciplined execution and meaningful progress as we continued to deliver against our long-term strategic ambitions. At the heart of our strategy is a steadfast commitment to serving the IFA community – supporting them with high-quality, platform-agnostic discretionary asset management, while enabling them to retain full ownership of their client relationships."

Introduction

I am pleased to present the Annual Strategic Report for Tatton Asset Management plc, marking a year of strong performance, sustained organic growth, and meaningful strategic progress. This year's achievements highlight the strength, resilience, and adaptability of our business model, which continues to thrive amid an ever-evolving and dynamic market environment.

Our performance is a testament to the dedication and expertise of our people, the enduring trust placed in us by our IFA partners and their clients, and our clear focus on long-term, sustainable value creation. This report sets out the key factors behind our success and outlines the strategic priorities that will guide our continued progress in the year ahead.

Financial Results

This year has been a difficult year for many businesses, impacted by tough challenges created by the world's economic and political landscape. Stubborn inflation and the conflicts in Ukraine and the Middle East have been the backdrop to market fluctuations this year and, more recently, the imposition of tariffs caused significant market volatility. The situation continues to evolve but these policies have introduced significant uncertainty into global markets, eroding investor confidence, and raising concerns over economic growth.

However, against this backdrop, the Group has performed very well, supported by our resilient market, where demand for our services remains strong as a result of both the strength of our distribution and the quality of our propositions, which continue to resonate with our firms and clients alike.

Group revenue increased by 23.1% to £45.3m (2024: £36.8m) and Group adjusted operating profit[1] increased by 23.9% to £22.9m (2024: £18.5m), with adjusted operating profit margin[1] improving to 50.6% (2024: 50.3%). Group statutory operating profit was £20.7m (2024: £16.5m). Cash generation remains very strong, and we ended the year with cash on the balance sheet of £32.1m (2024: £24.8m).

Tatton revenue increased by 26.3% to £39.0m, underpinned by record organic net inflows during the year of £3.687bn, or 22.3% of opening AUM, an average of £307m per month. Net flows remained consistent across the two halves of the year, at £1.832bn in the first half compared with £1.855bn in the second half of the year. As in prior years, there was no single event or reason for the strong flows; rather, there was a consistent level of net inflows from a large number of supporting firms. March 2025 experienced the highest monthly net flows at £440m, which is not untypical, due to the tax year end, and the lowest level of monthly net flows was February 2025 at £240m. Markets remained buoyant throughout most of the year, which also helped drive revenue, but the market deteriorated in March, following the implementation of increased global tariffs. However, markets still contributed £634m, or 3.8%, in the year, resulting in total AUM at March 2025 of £20.872bn. With the inclusion of the 8AM AUI of £0.953bn, total AUM/I[1] was £21.825bn, a 24.0% increase on the prior year.

Tatton's adjusted operating profit[1] increased by 28.0% to £24.9m (2024: £19.4m), at a margin of 63.8% (2024: 63.0%). There was a similar increase in statutory operating profit to £23.9m (2024: £18.6m). This year has seen continued investment in the Tatton team, including operations, compliance, and the customer-facing commercial team.

As we look forward, we will continue with this, as well as making further investment in marketing.

Paradigm delivered a year in line with expectations, with revenue increasing by 6.4% to £6.3m (2024: £5.9m) and increasing adjusted operating profit[1] by 3.2% to £1.84m (2024: £1.78m) at a margin of 29.0%. Paradigm statutory operating profit was steady at £1.5m (2024: £1.5m). The compliance business has remained very stable, with 425 member firms at the end of the year (2024: 424). Paradigm continues to help brokers navigate through the myriad of issues that the market provides, through regular collaboration with our strategic lender and provider partners, working to increase our broker partners' education, resources, and productivity, focusing on crucial areas such as credit risk, pricing, regulatory compliance, fraud, cross-sales strategies, and technological integration for enhanced efficiency. This proactive relationship management continues to ensure that our members' business propositions remain relevant for their client base and attractive to our suppliers, who remain keen to work alongside Paradigm.

Progress and Strategic Development

FY25 marked another year of disciplined execution and meaningful progress, as we continued to deliver against our long-term strategic ambitions. At the heart of our strategy is a steadfast commitment to serving the IFA community – supporting them with high-quality, platform-agnostic discretionary asset management while enabling them to retain full ownership of their client relationships.

We continue to make strong progress in delivering our strategy, which has remained focused and consistent. Our goal is clear: to be the partner of choice for IFAs seeking to offer their clients full discretionary asset management on the platform of their choice, without compromising the integrity of the adviser–client relationship. The IFA remains our single channel to market – we do not compete with them, but instead champion their value. Through investment excellence, technology-led solutions, and deepening commercial support, we help IFAs build sustainable, advice-led businesses and deliver long-term value for their clients.

In FY25, we made an excellent start towards our £30bn "Roadmap for Growth" target. AUM/I[1] reached £21.8bn, reflecting a strong combination of commercial momentum and market recovery. This growth was underpinned by record net inflows of £3.7bn (including £0.7bn related to Perspective Financial Group ("PFG")), demonstrating the continued confidence of our adviser partners in our proposition. As previously indicated, we have now received contractual notice for termination of the long-standing agreement between Tatton and PFG, whereby Tatton provides investment management services to PFG's fund management capability ("Cambridge"). It therefore remains highly probable that this will conclude the partnership between Tatton and PFG in January 2026. Currently, PFG represents £2.9bn of AUM; however, as highlighted during the Interim Results in November 2024, the annual earnings impact is projected to be modest at £1.2m. While we are prudently planning for this impact in FY27, our previous experience suggests that it is likely that not all of the assets will be lost. The Tatton proposition remains highly competitive and, in addition, we believe our established long-term investment track record will be a significant consideration for firms who understand that Tatton have been the investment manager behind the PFG proposition. Furthermore, we have recently secured a mandate from a major provider, which we expect will help mitigate the impact over the next 12 to 18 months. Importantly, we do not anticipate that this will impact on our ability to deliver our £30bn target in FY29.

This year has seen us further strengthen the leadership team to help support our growth. During the year, we made key strategic investments in the Tatton senior management team, hiring a new Chief Operating Officer and a Head of Risk & Compliance, enhancing operational oversight and reinforcing our regulatory framework. In parallel, we invested further in our IFA-facing Investment Specialist team, recognising the importance of personalised support as advisers navigate increasingly complex client and regulatory demands. Looking forward, we will continue to build upon our commercial capabilities to ensure that we are well-positioned to capture the expanding opportunities within the MPS market.

Our commitment to excellence and consistency has again been recognised externally. In Defaqto's top ten most recommended platform-based MPS solutions according to value for Q1 2025, Tatton achieved an exceptional result. Three of our portfolios ranked within the top four nationally, taking both first and second place, with the Core Aggressive portfolio climbing to fourth place. This recognition – drawn from whole of market data, including over 18,000 funds and 2,900 DFM MPS portfolios – underscores the strength and competitive positioning of our investment offering.

Our platform-agnostic, adviser-centric approach continues to resonate. By delivering consistent investment performance, exceptional service, and a price-competitive proposition, we are

1. Alternative performance measures are detailed in note 27.

building enduring partnerships with IFAs across across the UK. This disciplined focus remains the foundation of our growth strategy. As we look ahead, we remain confident in our ability to scale up further – supported by ongoing investment in people, technology, and proposition development. With strong momentum, clear strategic direction, and a growing market opportunity, TAM is well-positioned to deliver on its growth ambitions and reinforce its leadership in the UK discretionary investment market.

Market Development and Trends

The UK financial services sector continues to evolve at pace, shaped by regulatory reform, shifting investor expectations, and a growing demand for scalable, outcome-driven investment solutions. Within this environment, MPS has become an increasingly integral part of the wealth management ecosystem, offering advisers a compelling means to deliver consistent, cost-effective investment outcomes that are aligned with client objectives and professional obligations.

Assets held within model portfolios in the UK at December 2024 reached £183bn, increasing by 40% on the prior year. This expansion broadly compares with the overall growth in UK platform assets, which rose to £872bn from £722bn in 2023 – a 21% uplift. The sustained growth of MPS reflects not only the increasing preference among IFAs for delegated investment solutions but also the value that these services bring in terms of operational efficiency, regulatory alignment, and client-centric delivery. Tatton has long anticipated this shift and positioned itself accordingly. Our MPS offering is purpose-built for the IFA market, providing high-quality, well-governed portfolios designed to support advisers in delivering consistent outcomes at scale. Our disciplined approach to investment management, combined with our ability to secure competitive pricing from fund managers, enables us to pass tangible cost benefits on to clients – thereby supporting our core commitment to value and transparency.

The trend towards outsourcing investment management continues to gain momentum, driven by the increasing complexity of the regulatory environment, heightened client service expectations, and the strategic need for scalability across advice businesses. Tatton's MPS proposition enables IFAs to meet these challenges with confidence – providing them with a fully managed, platform-agnostic solution that enhances suitability, supports client engagement, and frees up resource for broader financial planning and relationship development. We believe that MPS will remain a central pillar of modern financial advice in the years ahead. The UK advisory market remains in good health, but there is a clear and growing emphasis on cost transparency, robust governance, and demonstrable value delivery. Tatton is well-placed to respond to these evolving priorities through its continued investment in technology, portfolio innovation, and adviser support.

The acquisition and integration of Fintegrate in 2023 represents a further step in our strategic roadmap. This enhanced technology capability strengthens our proposition by delivering deeper integration, improved reporting, and data-driven insight – thereby enabling IFAs to better manage their businesses and enhance client service. Our platform-agnostic approach remains a core differentiator, allowing advisers to access our MPS solutions without disruption to their preferred operational model or infrastructure.

Looking forward, the structural growth drivers underpinning the MPS market remain firmly intact. While broader macroeconomic conditions may introduce short-term uncertainty, we are confident in the long-term trajectory of the market – and in Tatton's ability to lead within it. Our scale, investment expertise, and unwavering focus on adviser needs position us strongly to capture a further market share, deepen existing relationships, and continue delivering on our purpose: to make high-quality discretionary investment management accessible, affordable, and effective for the IFA community and their clients.

Our Strategic Vision and Priorities

Our vision remains clear and consistent: to deliver long-term value through sustainable growth, a strong partnership model, and continued market leadership. We remain committed to the following strategic objectives:

Accelerate AUM Growth

We are targeting AUM/I[1] of £30bn by March 2029, representing a compound annual growth rate of 11.3% from March 2024. Central to this ambition is our commitment to generating a minimum average of £2bn in net inflows each year, supported by strong adviser engagement and ongoing proposition development.

Broaden Distribution Reach

Building on our recent momentum, we will continue to pursue strategic relationships with larger IFA firms. These partnerships are designed to deliver enhanced outcomes for clients and deepen our market penetration across the adviser community.

Pursue Strategic Acquisitions and Partnerships

We will selectively identify and execute those acquisitions that complement our business model and contribute to the growth of our AUM and proposition. In parallel, we will seek new partnerships to support distribution, extend our market reach, and access new client segments.

Grow Paradigm's Market Share

We aim to expand the number of firms engaging with Paradigm by increasing our presence within the mortgage broker and intermediary space. Our focus is on capturing a greater share of the available market and driving higher levels of mortgage completions through deeper adviser relationships.

Outlook

Tatton Asset Management plc enters FY26 with strong momentum and a clear sense of vision and direction. We remain fully committed to our long-term strategy and focused on delivering our ambitious target of reaching £30bn in AUM/I[1] by 2029. As we look to the future, our growth strategy remains centred on organic expansion. We will continue to deepen our distribution footprint by developing new and meaningful IFA partnerships, supporting advisers in delivering outstanding client outcomes. The strength of our proposition has once again been validated by another year of record net inflows, reinforcing our position as a trusted partner in a growing and increasingly competitive market.

We approach the new financial year with confidence, although we remain mindful of the persistent macroeconomic and geopolitical challenges that may create periods of market volatility. Despite these external headwinds, we believe that our resilient and scalable business model, which is underpinned by our IFA-focused approach, consistent long-term investment performance, and range of high-value propositions, positions us well for continued success. With a clear strategy, disciplined execution, and continued investment in our people and service proposition, we are confident in our ability to deliver sustainable growth and long-term value for all our stakeholders.

PAUL HOGARTH
CHIEF EXECUTIVE OFFICER

Q&A

WITH OUR CHIEF EXECUTIVE OFFICER

How have you managed to navigate IFA businesses and their clients through the Trump tariffs and the resulting market volatility?

Over the past five years, global markets have faced a series of disruptive events – including geopolitical tensions, trade policy shifts, such as the Trump-era tariffs, and broader macroeconomic uncertainty. These episodes have undoubtedly contributed to heightened market volatility. At Tatton, we have consistently helped IFAs and their clients to navigate these periods by focusing on clear communication, disciplined investment processes, and a long-term perspective.

Key to our approach is maintaining regular and transparent dialogue with our adviser partners. During periods of uncertainty, we increase the frequency and depth of our communications, ensuring that advisers are well-informed and equipped to have meaningful, reassuring conversations with their clients. Our commitment to clarity and context helps counteract reactive decision-making and reinforces confidence in the long-term strategy.

Importantly, we remain focused on avoiding emotional or knee-jerk investment responses. Market volatility is an inherent part of investing, and history consistently shows the importance of staying invested and resisting attempts to time the market. Our portfolios are managed with diversification, resilience, and risk management at their core – enabling us to absorb shocks and respond to change in a measured and deliberate way.

Through each episode of turbulence, including the uncertainty triggered by global trade tensions, Tatton has remained steadfast in its investment philosophy. Our role is to provide stability, insight, and structure to advisers and their clients – ensuring that they stay on course to meet their financial goals, regardless of external noise.

Has consolidation reduced the number of IFA businesses in the UK?

While market consolidation is an ongoing trend within the UK advice sector, it has not led to a material decline in the overall number of IFA businesses. Between the years 2019 and 2023, approximately 570 firms have deregistered, but this has been largely offset by 460 new firm registrations – demonstrating the sector's resilience, dynamism, and continued appeal.

At Tatton, we view consolidation positively. It reflects the growing recognition of value within advisory firms, often unlocking succession opportunities and encouraging long-term planning. In many cases, consolidation facilitates the next generation of leadership – bringing sons, daughters, and other new entrants into the profession – thus preserving client relationships and ensuring continuity of service.

Looking ahead, one leading industry consultant projects that around 9,000 advisory firms will still remain active by 2032, compared to 10,300 in 2023. While this suggests some rationalisation, it is more a reflection of natural market maturation than contraction. Tatton remains committed to supporting IFAs of all sizes – whether they are independent, consolidating, or growing – and sees this evolution as a healthy sign of a profession that is adapting, professionalising, and positioning itself for long-term sustainability.

How has AI impacted the IFA sector, and has it been helpful?

The narrative around artificial intelligence ("AI") continues to accelerate across the financial services landscape, and its application within the IFA sector is beginning to show clear and practical benefits. Its earliest and most immediate uses have centred around administrative and compliance functions – specifically, the automated transcription of client meetings and the generation of suitability reports.

From what we have observed, the quality, speed, and accuracy of these AI-driven tools have been genuinely impressive. Several leading-edge solutions have emerged in the market, offering IFAs tangible improvements in how client data is recorded, interpreted, and documented – areas traditionally demanding significant time and manual input.

When adopted effectively, these technologies can materially enhance operational efficiency, reduce the administrative burden, and free up adviser time to focus on client-facing activity. For IFA firms, this can translate into increased productivity, improved client experience, and the capacity to serve more clients without a proportional increase in headcount or cost.

At Tatton, we see the responsible use of AI as a valuable complement to the human element of advice, not as a replacement for it. When deployed with appropriate oversight and governance, these technologies can strengthen the advice process and support advisers in delivering even greater value to their clients.

How are you coping with the increased competitiveness within the MPS arena?

The MPS market has become increasingly competitive as more firms seek to capitalise on the growing demand for scalable, adviser-led investment solutions. Over time, we've seen different providers rise to prominence – often driven by short-term performance or marketing momentum. However, the true test of any proposition is not its ability to shine momentarily, but its ability to sustain relevance, value, and trust over the long term.

At Tatton, our focus has remained unwavering: to deliver long-term, consistent investment performance, exceptional service to our IFA partners, and a proposition that is priced competitively and transparently. These three pillars – performance, service, and cost – continue to define our edge in the market.

We believe that we are exceptionally well-positioned as the market matures. Our scale enables us to secure efficiencies that benefit our clients directly, and we remain confident that our pricing – already among the most competitive in the industry – will set the benchmark over the medium-term. Importantly, we do not view competitiveness as a one-off race; instead, we see it as a discipline that requires ongoing investment in capability, technology, and partnership.

Our commitment to the IFA community has always been at the heart of our model. By staying close to advisers, listening to their needs, and adapting intelligently, we continue to ensure that Tatton's proposition not only keeps pace with the competition but leads it – sustainably, and for the long-term.

As a leading Investment Manager in a competitive market, have you experienced people-churn?

At Tatton, we recognise that people are central to our success. While the investment management industry continues to experience heightened competition for talent, we are proud of the stability and continuity found within our team.

Our strong collegiate culture and values-driven ethos play a significant role in attracting and retaining high-calibre professionals. We foster an environment where collaboration, mutual respect, and shared purpose underpin how we work – creating a culture where individuals feel valued, supported, and aligned with the Group's long-term vision.

Naturally, in any dynamic business, some level of personnel movement is to be expected. However, our levels of staff retention remain high, and we view this as a reflection of both our culture and the opportunities that we provide for personal and professional development. We continue to invest in our people – offering meaningful career progression, ongoing training, and the chance to be part of a purpose-led organisation that supports advisers and their clients.

Ultimately, our ability to maintain continuity in our team, particularly within our investment and adviser support functions, has been a key factor in delivering the consistent performance and high service standards that our partners expect.

CHIEF INVESTMENT OFFICER'S REPORT

CONSISTENCY and LEADERSHIP during a period OF CHANGE

Service Development

Tatton continues to maintain and strengthen the relationships that we have established with advisers, who recommend our investment portfolios to their clients. Our ability to adapt to the ever-evolving needs of IFAs and their clients is core to our service-led model and we prioritise face-to-face relationship-building in order to better understand advisers.

As such, we expanded our very successful 'Tatton on the Road' events, meeting over 500 new and existing adviser firms across the UK, and the team presented at 120 face-to-face IFA events last year. This creates the perfect environment in which to further understand their business and client requirements, to enable us to improve our service and product offering.

Effective and accessible adviser communications have provided vital support during market uncertainty. We continue to develop our popular video updates, live investment webinars and educational reports so that advisers can support their clients.

However, the cornerstone of our offering is the consistency of our portfolio management, which for more than ten years has generated sustained, repeatable investment performance. The combination of deep market understanding, service-focused IFA relationships and investment delivery remain compelling in a maturing and highly competitive environment.

2024/25 Capital Markets and Returns

At Tatton, we pride ourselves on our robust investment process and our team's dedication to carrying it out. We will always focus on long-term investment stewardship, rather than on short-term market trends. Over the past year, this has helped once again to deliver rewards for portfolio investors.

There were many shifting market trends throughout the 2024/25 financial year, but overall, returns were positive for both stocks and bonds. This was down to a combination of interest rate cuts, stellar corporate profits for US technology companies, and an improving outlook for economic growth. The market mood soured towards the end of the financial year, due to the disruptive economic policies of US President Trump, but investors will note that, on a yearly basis, most regions and assets classes generated very decent returns in sterling terms.

Capital markets started 2024 in good spirits, thanks to expected interest rate cuts, which finally began later in the year, although by April, persistent inflation had pushed back the rate-cut timeline, which led to some concerns. These were overcome when markets realised that inflation was only persistent due to the resilience of global growth – particularly in the US. It became clear that corporate earnings, particularly for the biggest US tech companies, were not as vulnerable to high rates as feared.

Rate cuts did eventually come from the European Central Bank, the Bank of England and the US Federal Reserve, marking the end of the tightest squeeze on global monetary policy seen in a generation. Government bond yields fell steadily through the middle of 2024 in response, making equities more attractive by comparison.

The biggest benefit to equities, however, came from resilient growth. Through 2024, the market narrative was that the world economy had avoided the end-of-cycle pain and had skipped ahead to the middle of the next cycle. In that period, growth prospects and asset returns were skewed towards the world's largest economy. Therefore, the US's commanding share of the global market cap increased, which led to discussions of whether US concentration was a problem for the overall health of markets.

The Labour Government's victory in the last general election was fully expected, so it did little to move markets when it happened. Tensions in UK bond markets arose in the autumn as investors doubted Labour's commitment to fiscal discipline. We communicated at the time that the media was over-interpreting these moves, and that higher long-term bond yields were an attractive buying opportunity. Sure enough, yields came down, but UK bonds continued to show an interesting correlation to the US.

The US election, meanwhile, affected markets massively. US investors were excited about Trump's promises of tax cuts and deregulation, sending US outperformance into overdrive at the end of 2024.

However, the first quarter of 2025 was significantly more challenging for US assets. Tariff threats and chaotic economic policy downgraded expectations for US growth. Growth outside the US – particularly in Europe and China – looked better, largely thanks to fiscal support countermeasures to Trump's differing threats.

We ended the financial year with losses for most major regions, due to the looming impact of Trump's tariffs. Regardless of what happens from here, policy uncertainty has already done significant damage in terms of weighing on business investment.

Outlook

At the start of the 2025/26 financial year, markets are fearful. Donald Trump's "Liberation Day" tariffs were substantially larger than expected; they were perceived as arbitrary, and that their full implementation would inevitably weigh on global growth. Even if, after negotiations, the US merely maintains its 10% global baseline tariff, the compression on US demand for foreign goods and the loss of trust in US institutions will reduce economic activity, at least in the short-term.

Markets' deeper concern is not about the tariff effects themselves, but their chaotic implementation. Even if one agrees with the political aim of reducing bilateral trade deficits, the White House's error-strewn calculations of "reciprocal" tariff rates have made markets fearful that those in charge of the world's largest economy do not have a coherent plan for their own trade policy.

It is reasonable to think that negotiations will bring tariffs down to manageable levels, but policy uncertainty has already impacted business investment, dampening activity in mergers and acquisitions. This means that the best-case scenario for global growth is already worse than it was at the start of 2025. We hope that this uncertainty subsides, but some damage to this year has already been done.

However, if geopolitical tensions did cool, there would still be plenty of growth opportunities to salvage. A calmer, tax-cutting Trump could quickly make investors forget about past gripes. There are also plenty of positive themes outside of the US, including the historic expansion of European fiscal policy. China is also supporting its economy and has proven effective at doing so. Prior to the latest tariff-related sell-off, Chinese stocks were benefitting from a mix of growth improvements and tech positivity around the application of DeepSeek.

The question is how much these positives can counteract the negatives. The answer will depend on how long the current chaos lasts. The longer it continues, the less growth there will be to salvage.

Tatton's investment model will help get the best out of this difficult environment. Our blend of on-platform investments and overlay funds allows us to be nimble and respond to major changes to risk-reward trade-offs – of which we are likely to see many.

Most of all, however, investors will benefit from our principle of long-term investment stewardship. In these deeply uncertain times, it can be easy to get caught up in day-to-day changes, when our focus, as ever, should be on long-term growth and risk management.

LOTHAR MENTEL
CHIEF INVESTMENT OFFICER

INVESTMENT PORTFOLIO RETURNS

1 year, 1 April 2024 – 31 March 2025

Tatton investment returns (%) – core MPS product set (annualised, after DFM charge and fund costs)

	TATTON MANAGED	TATTON TRACKER	TATTON BLENDED	TATTON ETHICAL	ARC PCI[1]
Defensive	3.0	3.9	3.5	3.4	3.2
Cautious	3.7	4.7	4.2	2.8	2.7
Balanced	3.8	5.0	4.4	2.2	2.7/2.1[2]
Active	4.1	5.4	4.7	1.6	2.1
Aggressive	4.1	5.5	4.8	1.2	1.3
Global Equity	2.1	4.3	3.2	0.5	1.3

3 years, 1 April 2022 – 31 March 2025

Tatton investment returns (%) – core MPS product set (annualised, after DFM charge and fund costs)

	TATTON MANAGED	TATTON TRACKER	TATTON BLENDED	TATTON ETHICAL	ARC PCI[1]
Defensive	1.0	2.0	1.5	1.9	1.0
Cautious	2.5	3.5	3.0	2.5	1.7
Balanced	3.6	4.6	4.1	3.1	1.7/2.1[2]
Active	4.7	5.6	5.1	3.6	2.1
Aggressive	5.3	6.2	5.7	3.9	2.3
Global Equity	6.2	6.9	6.5	4.2	2.3

1. ARC PCI – Asset Risk Consultants, Private Client Indices ("PCI").
2. Balanced Portfolios are measured against both ARC Balanced Asset PCI and ARC Steady Growth PCI as, in risk terms, the Balanced Portfolios lie in the middle of these Indices.

MARKET REVIEW

Our MARKETPLACE

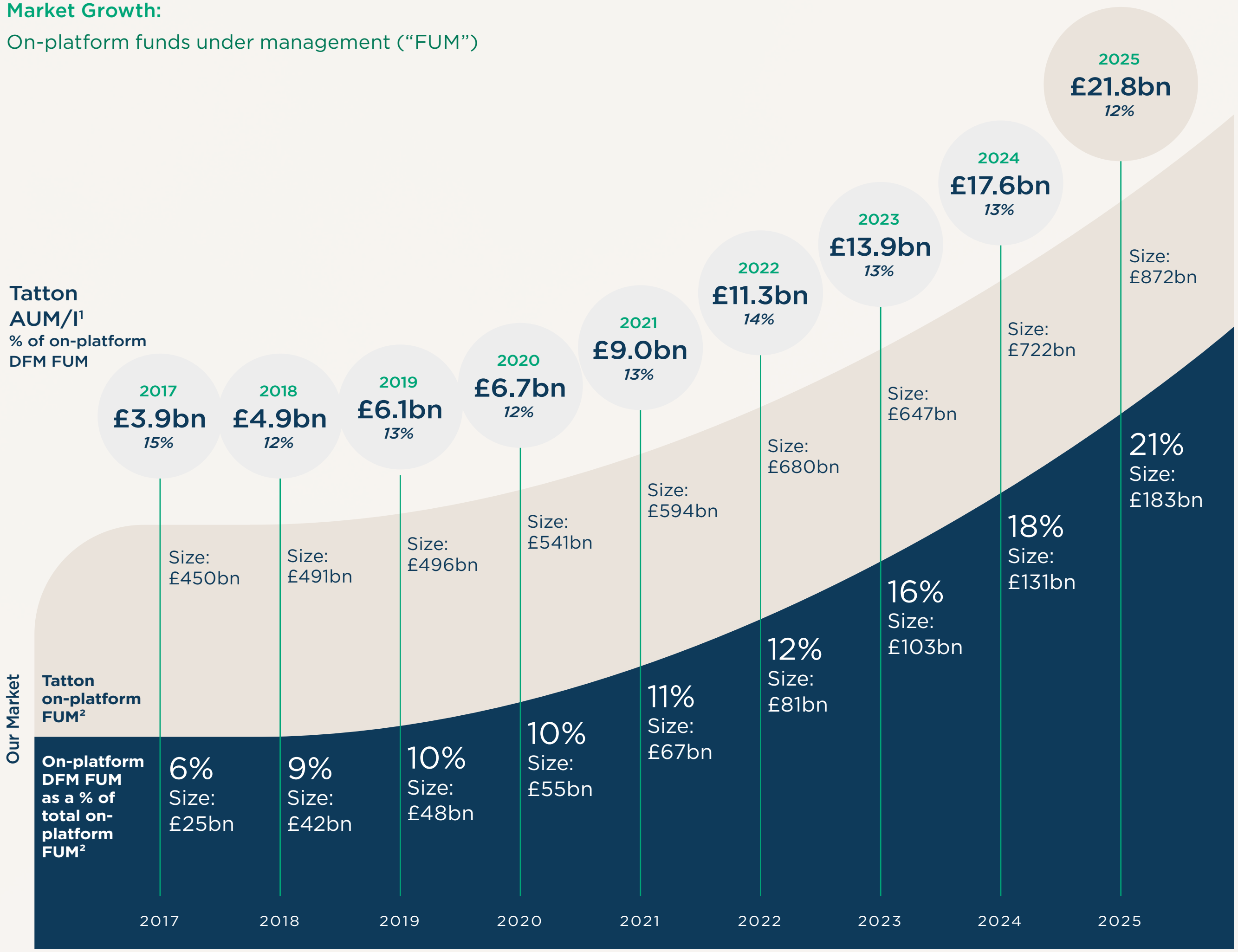
Market Share and Trends

The UK wealth management market, within which Tatton operates, continues to demonstrate resilience and growth, with the total adviser platform FUM having increased by 21% in 2024 to £872bn, as illustrated by research from Platforum. The growth continues to be driven by digital first solutions, fiscal and regulatory reforms, and the ongoing shift from defined benefit ("DB") to defined contribution ("DC") pension schemes, alongside the evolving demographics favouring long-term wealth retention. The MPS segment, within which the Group is strategically positioned, is also growing significantly, up by 40% in 2024 to £183bn, due to advisers' reliance on third party providers for cost-effective, scalable risk-rated investment solutions. As economic stability improves and intergenerational wealth transfers accelerate, the UK wealth market and MPS segment are expected to sustain their growth, with firms leveraging innovation to meet rising client expectations for transparency, flexibility, and performance.

Impact on our Group

Tatton has achieved significant growth in the year, in line with market trends, with AUM/I[1] rising by 24.0% to £21.8bn and net inflows reaching a record £3.7bn. This success is driven by our broad distribution network, which serves 1,110 firms, supported by third party partnerships and a decade-long track record of consistent investment performance. Paradigm Mortgages has also demonstrated resilience, contributing to £14.2bn in mortgage completions and maintaining its membership at 1,915 firms, despite market challenges. As the industry evolves, TAM is poised to leverage these trends to seize new growth opportunities.

Market Growth:
On-platform funds under management ("FUM")



1. Alternative performance measures are detailed in note 27.
2. Source: Platforum.

KEY MARKET TRENDS

Growing Strength of the IFA Sector

7 8 13 14

- **Market Conditions:** Demand for IFA services remains strong, particularly among affluent and mass-affluent clients who are navigating complex financial planning decisions. Evolving client needs, coupled with regulatory shifts and technological advancements, are accelerating the trend towards outsourcing investment management. This is also driving increased consolidation within the IFA sector, as firms seek scale and efficiency to meet these demands.
- **Our Response:** The adoption of MPS by IFAs continues to rise, as this service effectively meets client needs and aids advisers in adhering to regulatory requirements. Tatton is dedicated to enhancing its MPS offerings, delivering tailored, high-quality solutions and exceptional service to IFA firms. This commitment fosters greater trust in Tatton as a reliable outsourced investment partner, fuelling our organic growth and strengthening partnerships across the sector.

Volatility in the Investment Markets

7 9 11

- **Market Conditions:** Persistent macroeconomic challenges have fuelled volatility in the market, triggering significant outflows for many asset managers. These disruptions affect consumer confidence, influencing both short-term and long-term savings and investment decisions.
- **Our Response:** Tatton demonstrates resilience amid market turbulence, with strong demand for its cost-effective, on-platform discretionary investment solutions. Record net inflows of £3.7bn highlight our robust performance and dedication to IFAs and their clients. Tatton's proactive communication approach equips IFAs with valuable insights into how global events impact client investments.

Regulatory Change

8 12

- **Market Conditions:** The ability of IFAs to meet the growing demand for financial advice continues to be challenged, being shaped by many regulatory developments like the 2023 Consumer Duty Act, and more recently, the Capital Gains Tax allowance adjustments. These changes present resource and cost considerations, increasing pressure on IFAs to adapt and optimise their client-focused services.
- **Our Response:** Regulatory shifts like Consumer Duty increase demand for outsourced centralised investment propositions, aligning seamlessly with Tatton's philosophy of delivering value, competitive pricing, and strong client outcomes. Tatton's range of MPS and tax efficient multi-asset funds provide a range of options to meet clients' tax planning needs, including the passive funds which were launched this year to meet the evolving needs of IFAs and their clients.

Increasing Competition

4 7 10 13 18

- **Market Conditions:** Ongoing IFA consolidation and new entrants in the DFM MPS market are intensifying competition as firms capitalise on growing MPS adoption. This is driving price pressures, with advisers seeking lower discretionary MPS fees, now averaging 18bps (NextWealth 2024).
- **Our Response:** At 15bps, our pricing remains below the market average, reflecting the fair value of our service. We plan to maintain this rate, supported by our scale, robust distribution network, proven decade-long investment performance, and comprehensive service offerings.

UK Mortgage Market

7 8 9

- **Market Conditions:** In 2024, the UK mortgage market grew 4.7%, with northern England and Scotland outperforming. Interest rate cuts to 4.5% by February 2025 and expiring Stamp Duty Land Tax incentives drove first-time buyer and home mover activity. Annualised mortgage applications hit £16.5bn by March 2025, up 17%, with buy-to-let applications up 36%. Affordability challenges persisted despite wage growth, but product transfers surged, with intermediaries handling 80% of applications.
- **Our Response:** We remain focused on strengthening partnerships with firms to sustain lending volumes and capitalise on the significant wave of loan maturities and remortgages – a key strategic priority. Additionally, we are enhancing our business by leveraging cross-selling opportunities within protection, general insurance, and compliance services to deliver added value.

Growing Strength of the MPS Market

7 10 14

- **Market Conditions:** The UK on-platform MPS market continues to thrive, driven by regulatory changes, rising demand for IFA financial advice, and technological advancements. These factors are driving a growing demand for outsourced investment management and the trend of assets shifting from other wealth solutions, like bespoke portfolio solutions, to MPS, which offers tailored investment strategies and cost efficiencies through economies of scale.
- **Our Response:** As the leading on-platform MPS provider, Tatton is ideally positioned to sustain and grow its market share in this expanding sector. Our low-cost, high-value proposition, supported by a diverse portfolio range and a decade of proven investment performance, ensures that Tatton delivers a best-in-class service to IFAs and their clients.

Principal risks

Our principal risks are detailed on pages 26 to 31 and have been linked to the market trends shown above.

1. Counterparty credit risk
2. Liquidity risk
3. Bank default
4. Concentration risk
5. Acquisitions
6. Regulatory capital
7. Adverse macroeconomic, political, and market factors
8. Regulatory risk
9. Changes to UK tax law
10. Changing competitive environment
11. Adverse market returns related to climate performance
12. Climate-related policy, legal, and regulatory changes
13. Changes in the priorities of generational wealth
14. Technological risk
15. Failure of a third party service provider
16. Failure to recruit and retain quality personnel
17. Failure of investment strategy
18. Loss or failure of a key IFA client
19. System failure, cyber security, and data protection
20. Reputational risk relating to ESG activities

STRATEGY ROADMAP

Our ROADMAP for GROWTH

AUM reaches and surpasses £1bn. Launch of two new propositions, Tatton's Balanced Ethical and Income portfolios	**+£1bn**	2014
AUM surpasses £3bn, awarded "Best Boutique Wealth Manager" by Wealth Adviser and launch of Tatton's AIM portfolio service	**+£3bn**	2016
AUM surpasses £5bn, awarded "Best DFM" by Moneyfacts and launch of the full risk range of Ethical portfolios and Blended funds	**+£5bn**	2018
AUM surpasses £8bn, winner of the Financial Adviser Service Award and launch of Tatton's Bespoke Portfolio Service and Global portfolios	**+£8bn**	2020
AUM/I[1] surpasses £12bn, awarded "Best Investment Service" by Moneyfacts and "Best Outsourced Investment Manager" by Professional Paraplanner Awards	**+£12bn**	2022
AUM/I[1] surpasses £21bn. Launch of two new propositions, Tatton's Money Market portfolios and a range of risk-profiled passive funds	**+£21bn**	2024

2025

£21.8bn

Achieved AUM/I[1] at March 2025

Broaden Distribution Reach:

We will continue to focus on enhancing our current strategic partnerships and striving for new firm growth beyond our existing 1,110 IFA firms. Our aim is to grow the number of firms utilising Tatton as the discretionary fund manager ("DFM") for their clients' assets, thereby increasing our market share.

As an IFA-centric organisation, we remain attuned to the needs and demands of our IFAs and their clients. Where appropriate, we will expand our product offerings to meet these requirements. For instance, in May 2024, we introduced a risk-profiled range of highly competitive passive funds that complement our existing product suite.

We are confident that we have set the right price at 15bps for our Model Portfolio Services. This pricing remains below the market average, making it highly competitive within a broader proposition.

Pursue Strategic Acquisitions and Partnerships:

We will selectively identify and execute acquisitions that complement our business model and contribute to the growth of our AUM and proposition. In parallel, we will seek new partnerships to support our distribution, enhance the value for money of our services, and access new client segments.

The acquisition and integration of Fintegrate in 2024 represents a further step in our strategic roadmap. This enhanced technology capability strengthens our proposition by delivering deeper integration, improved reporting, and data-driven insight – enabling IFAs to better manage their businesses and enhance client service.

STRATEGY ROADMAP CONTINUED

Accelerate AUM Growth:

We commenced our ambitious five-year "Roadmap for Growth" strategy this year, targeting £30bn in AUM/I[1] by March 2029. Central to this ambition is our commitment to generating a minimum average of £2.0bn in net inflows each year, supported by strong adviser engagement and ongoing proposition development.

In this first year, we have achieved close to one third of our target, with AUM/I[1] growing by £4.2bn since March 2024. This remarkable performance over the past year has led to AUM/I[1] of £21.8bn, supported by another year of record-level net inflows of £3.7bn (2024: £2.3bn). This achievement underscores the resilience of our business model and our steadfast dedication to fostering long-term partnerships with IFAs and creating value for stakeholders.

Our AUM/I[1] has sustained a robust compound annual growth rate of 26.8% over the last five years, driven by an expansion to 1,110 partner firms, rising inflows, strong market performance, and key strategic acquisitions.

Looking ahead, we are confident in our ability to deliver on our goals while maintaining excellence in terms of service and operational performance.

Maintain our Best-in-class Offering:

Tatton remains committed to delivering a platform-agnostic, adviser-centric approach to MPS. Our consistent investment performance, exceptional customer service, and advanced online portal continue to resonate strongly with IFAs and their clients. Over the past decade, Tatton has established strategic strengths that include tailored risk-profiled options, seamless onboarding processes, and a robust financial foundation. Competitive pricing and evolved MPS offerings further enhance our value for advisers and clients alike.

Our dedication to regulatory compliance ensures that Tatton eases advisers' regulatory burden, fosters transparency, and builds trust in investment decisions. By maintaining these principles, Tatton continues to uphold its position as a trusted partner within the financial advisory landscape.

£30bn

AUM/I[1] Target by March 2029

Perspective Financial Group ("PFG"):

Tatton has received notice to end its long-standing partnership with PFG in January 2026; this represents £2.9bn of AUM. The annual earnings impact is predicted to be modest at £1.2m and not all assets are expected to be lost, given Tatton's competitive proposition and strong investment record. Tatton has also secured a major provider mandate, which is expected to help mitigate the impact within 12 to 18 months.

This development will not affect Tatton's commitment to achieving the £30bn AUM/I[1] target by FY29.

1. Alternative performance measures are detailed in note 27.

STRATEGY IN ACTION

EVOLUTION of the MPS MARKET

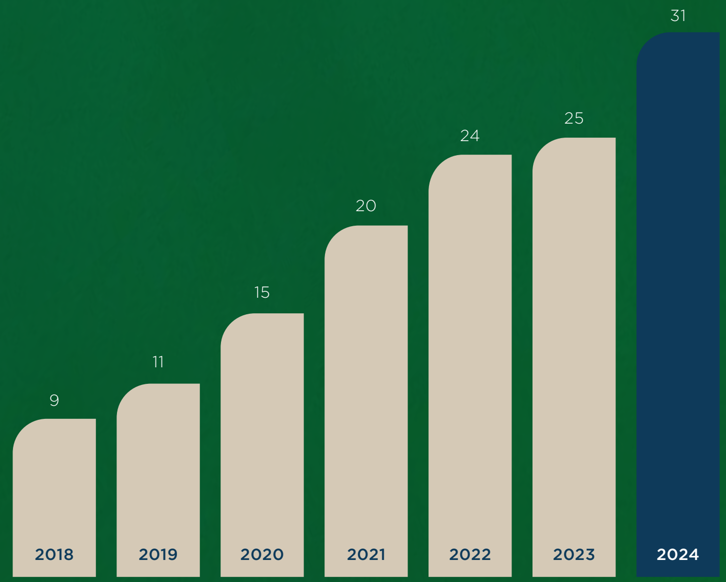
The UK platform Model Portfolio Services market has experienced significant changes since its inception, transitioning from a niche offering into an integral part of the wealth management landscape. The interplay of technological innovation, shifting investor preferences, intensifying competition, pricing dynamics, and a robust regulatory framework have shaped the market into a dynamic and resilient ecosystem. This section explores these key trends, providing a comprehensive overview of the market's trajectory and how Tatton's ongoing strategy has positioned us as the leader in this evolving market.

Inception and Early Development

The roots of the platform DFM MPS market can be traced back to the early 2000s, when financial advisers began seeking efficient ways to manage client portfolios amid growing demand for personalised investment solutions. The introduction of investment platforms that aggregate investment products and streamline administration laid the groundwork for this market. Initially, the platforms focused on providing access to mutual funds and other collective investments, however, the integration of discretionary fund management into platform offerings marked a pivotal shift, enabling advisers to outsource portfolio management to specialist DFMs while retaining client relationships. Model portfolio services emerged as standardised, yet customisable, investment strategies that were managed by DFMs and distributed via platforms, offering a balance of scalability and personalisation.

This growth has been fuelled by several factors. First, the shift from defined benefit to defined contribution pensions, coupled with the 2015 pension freedoms, empowered retail investors to take greater control of their wealth, increasing the demand for accessible investment options. Platforms responded by integrating MPS offerings, making sophisticated portfolio management available to a broader audience, including mass-affluent clients. Second, advancements in technology – such as automated rebalancing tools and real-time reporting – enhanced the scalability and appeal of MPS, allowing platforms to handle larger volumes of client portfolios efficiently. Finally, the rising popularity of outsourcing among advisers, with over half now using third party DFMs for at least some clients (Platforum 2024), has cemented platforms as the primary distribution channel for MPS.

Since Tatton launched its first MPS solution in 2013, it has been a key player and has pioneered the early development of the market, setting the bar for price, service, range, and investment returns, having been shaped around the strong long-standing relationships it had built through its Paradigm compliance services.



NUMBER OF DFM MPS PROVIDERS WITH AUM ABOVE £500M[1]

Increased Competition

As the market expanded, competition intensified, transforming the landscape into a crowded and dynamic area. Early entrants, such as Tatton, set the benchmark for service and scale. However, the success of the MPS business model attracted new players, including boutique DFMs, established wealth managers, and even traditional asset managers and platforms seeking to diversify their offerings. This influx has heightened rivalry, with providers vying to differentiate themselves through performance, service quality, and innovation.

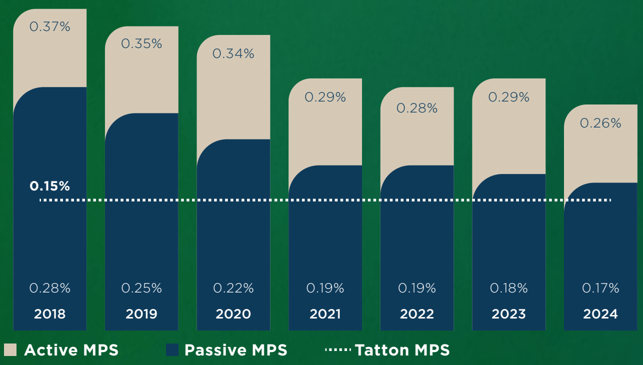
This competitive pressure has also spurred consolidation. Mergers and acquisitions have become a defining trend, as companies seek to achieve economies of scale and expand their market share. Many transactions reflect a strategic imperative to build comprehensive, vertically integrated offerings that combine platform technology with DFM expertise.

For Tatton, this competitive environment underscores the need to remain agile, leveraging our unique strengths to stand out in an evolving market. Key strategic advantages include a decade-long track record of impressive investment returns, non-competing single-channel distribution with advisers, extensive platform access and access to Tatton's Portal, tailored risk profiling and investment styles, streamlined onboarding with migration support for IFAs, and the financial resilience of the Group.

1. Source: Platforum.

STRATEGY IN ACTION CONTINUED

AVERAGE MARKET MPS FEES[1]



Pricing Trends

Pricing has been a critical battleground in the platform DFM MPS market, shaped by both competitive forces and client expectations. In the early stages, fees were relatively high, reflecting the bespoke nature of discretionary services and the limited number of providers. However, as competition grew and platforms scaled, downward pressure on fees emerged. Today, MPS fees average 0.18% (NextWealth 2024), a significant reduction from earlier years.

Despite this race to the bottom, there is a growing recognition that value for money – rather than just a low cost – is paramount. Advisers and clients increasingly demand transparency in pricing, prompting providers to unbundle fees and clearly articulate the benefits of their services. This shift aligns with the broader industry trends towards client-centricity and has encouraged innovation, such as manufacturing bespoke portfolios with advisers.

For Tatton, establishing a competitive yet sustainable pricing strategy has been a priority from the beginning, by setting the standard in pricing from inception at 15bps. As we move forwards, we continue to prioritise value for money by enhancing our offerings, such as our evolved MPS solutions, including an IFA-branded online portal, client literature, and portfolios (white-label), as well as a joint investment committee approach providing IFAs with bespoke asset allocation and fund selection (Appointed Investment Adviser).

Regulatory Changes

The regulatory landscape has been a powerful catalyst in shaping the platform DFM MPS market, ensuring consumer protection while fostering innovation. The FCA has played a central role, introducing measures to enhance transparency, competition, and client outcomes. The FCA's 2019 Investment Platforms Market Study, for instance, addressed the barriers to switching platforms and tackled exit fees, aiming to empower consumers and advisers. More recently, the FCA's Consumer Duty, implemented in 2023, has raised the bar across the wealth management market, requiring companies to demonstrate that their services deliver good outcomes for clients – a mandate that has particularly resonated with MPS providers.

Regulatory scrutiny has also driven operational changes, such as the improved disclosure of costs and charges, and has encouraged platforms to streamline processes like portfolio transfers. While these requirements have increased compliance costs, they have also levelled the playing field, pushing firms to innovate and prioritise client value.

Tatton has embraced these changes, embedding regulatory compliance into our growth strategy to build trust and resilience in an evolving market. By operating under the "Reliance on Others" regulatory regime, we ensure a transparency of responsibilities that reduces the regulatory burden on advisers, meaning that we take on responsibility for the investment decisions we make, whilst the adviser stays in control of the client relationship.

Future Outlook

Looking ahead, the market is poised for further growth and evolution as MPS providers begin to differentiate beyond price and performance, through sustainable investing options, tax-efficient strategies, and enhanced adviser support, which have now emerged as critical success factors. M&A is also likely to persist as firms pursue scale, with co-manufacturing and strategic partnerships with advisers being likely to deepen integration across the value chain.

For Tatton, this journey reflects both opportunity and responsibility. By leveraging our expertise, embracing new partnerships and innovation, and staying attuned to client needs, we are well-positioned to thrive in this market. As the market continues to evolve, our commitment to delivering exceptional value and outcomes remains unwavering, ensuring that we continue to play a leading role in its next chapter.

STRATEGY FRAMEWORK AND KPIs

Group PERFORMANCE

STRATEGIC OBJECTIVES

The Group uses these financial and non-financial key performance indicators ("KPIs") to measure its progress and the achievements against its strategy.

Deepen our IFA relationships to grow AUM

Strengthening existing IFA/client relationships and build new long-term relationships, delivering sustainable value for both the IFA, clients, and shareholders

Tatton firm numbers

1,110

Organic growth – Increase the share of our respective markets

Further penetrate our markets, adding new firms to Tatton and new members to Paradigm

Net inflows

£3.687bn

M&A and JV activity

We continue to look for ways to complement our strong organic growth through targeted acquisitions and by entering into strategically aligned joint ventures

Financial resources: Cash at bank

£32.1m

Migration of asset "back books"

We support advisers in the efficient migration of their back book of assets over to Tatton and can offer an "evolved" proposition of co-branding, white-labelling and AIA relationships

We provide our evolved MPS proposition to

50 firms

Strategic partnerships

We will develop strategic partnerships and alliances as an additional distribution channel to increase assets on the Tatton DFM service

Attributable AUM

£5.0bn

FINANCIAL KPIs

KPIs

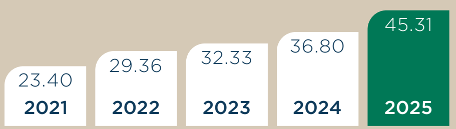
FY2025 PROGRESS AND FY2026 OUTLOOK

Group revenue (£m)

The Group's revenue grew by 23.1% over the past year due to record net inflows, increased AUM and more firms using Tatton and Paradigm services. The Group plans to maintain this growth through organic expansion and strategic M&A. The Board and the Audit and Risk Committee remain attentive to current and emerging risks as the Group grows.

Strategic objectives

Key Risks: 7 9 10 11 13 17 18 20



Adjusted operating profit[1] (£m)

The Group achieved higher profits and margins through recurring revenue and operational efficiency. Adjusted operating profit[1] rose by 23.9% to £22.9m, resulting in a margin of 50.6%. Statutory operating profit increased to £20.7m (2024: £16.5m). The Group's budget focuses on adjusted operating profit[1], aligning with the Board's remuneration targets.

Strategic objectives

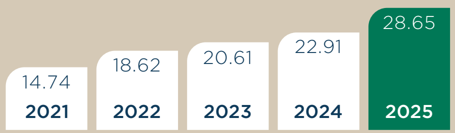
Key Risks: 1 7 9 10 11 13 15 16 17 18 20

Fully diluted adjusted EPS[1] (p)

The Group saw fully diluted adjusted EPS rise by 25.1% to 28.65p (2024: 22.91p), reflecting increased shareholder value. The Group aims to continue this growth through scalable business operations and continued strategic initiatives. Fully diluted adjusted EPS growth is a key performance metric for the Group's share option scheme.

Strategic objectives

Key Risks: 1 7 9 10 11 13 15 16 17 18 20



Full year dividend (p)

A final proposed dividend of 9.5p gives a full year dividend of 19.0p. The Group targets continued growth in dividends per share, in line with the Group's dividend policy; see page 73 for further details.

Strategic objectives

Key Risks: 1 7 9 10 11 13 15 16 17 18 20

1. Alternative performance measures are detailed in note 27.

NON-FINANCIAL KPIs

KPIs

AUM/I[1] (£bn)

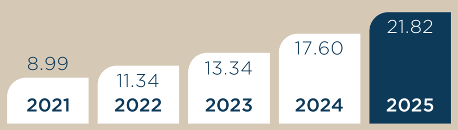
FY2025 progress and FY2026 outlook

AUM/I[1] has increased by 24.0% this financial year to reach a new milestone of £21.8bn. The Group has made a strong start towards reaching its five-year "Roadmap for Growth" strategy, which set an ambitious target of £30bn AUM/I[1] by 31 March 2029, achieving an additional £4.2bn in the first year, or the equivalent of over a third of the AUM, to reach the new target.

Strategic objectives

Key Risks

7 9 10 11 13 17 18 20



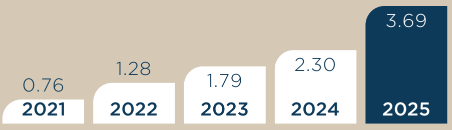
Asset net inflows (£bn)

Tatton has increased its number of firms and client accounts during the year, which has driven another year of record levels of positive net inflows of £3.687bn. To support the migration of 'back books', we continue to set up white-label, co-brand and AIA relationships with existing firms, through which we are now servicing over 50 firm brands.

Strategic objectives

Key Risks

7 9 10 11 13 17 18 20



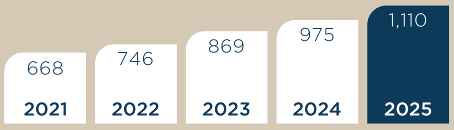
Tatton Investment Management firms

The number of firms using the Tatton DFM service grew by 13.8% to 1,110 firms (2024: 975). This growth is supported by our strategic partnerships and focused sales strategy.
We continue to invest in account management to meet the IFAs' needs and aim to expand our proposition and service portfolio in FY2026.

Strategic objectives

Key Risks

7 8 10 13 14 16 18 20



KPIs

Paradigm Consulting members

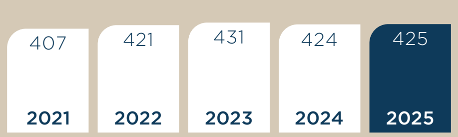
FY2025 progress and FY2026 outlook

The Paradigm Consulting business remained stable in FY25, concluding the year with 425 members. While we anticipate the number of firms to remain relatively stable, we foresee ongoing consolidation trends that may affect membership figures.

Strategic objectives

Key Risks

7 8 10 16 18 19



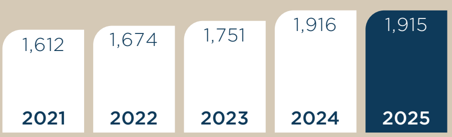
Paradigm Mortgages members

Paradigm Mortgages has continued to recruit new firms, with 124 net new Mortgage member firms in the year. Although, following a rationalisation of a number of dormant firms, the total Mortgage member firms ended the year at 1,915 (2024: 1,916), with a stronger economic performance expected in 2025 and 2026, we maintain a broadly positive outlook.

Strategic objectives

Key Risks

7 8 10 16 18 19



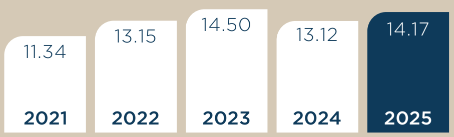
Mortgage completions (£bn)

Paradigm Mortgages participated in mortgage completions totalling £14.2bn (2024: £13.1bn), an 8.1% increase year on year, with H2 completions of £7.5bn ahead of H1 by 13.5%. This was in line with our guidance at the interims and represents a good result when compared with the UK gross mortgage market.

Strategic objectives

Key Risks

7 8 9 13 16 18



Principal risks

Our principal risks are detailed on pages 26 to 31 and have been linked to the KPIs detailed.

1. Counterparty credit risk
2. Liquidity risk
3. Bank default
4. Concentration risk
5. Acquisitions
6. Regulatory capital
7. Adverse macroeconomic, political, and market factors
8. Regulatory risk
9. Change to UK tax law
10. Changing competitive environment
11. Adverse market returns related to climate performance
12. Climate-related policy, legal, and regulatory changes
13. Changes in the priorities of generational wealth
14. Technological risk
15. Failure of a third party service provider
16. Failure to recruit and retain quality personnel
17. Failure of investment strategy
18. Loss or failure of a key IFA client
19. System failure, cyber security, and data protection
20. Reputational risk relating to ESG activities

ESG KPIs

These ESG KPIs have previously been included within the ESG section of the Annual Report and have now been included within the wider KPI section to provide a full overview of the KPIs monitored by the Board.

KPIs

FY2024 progress and FY2025 outlook

Females in senior roles (%)

The Group addresses gender diversity and equal opportunities at all levels of the organisation. It includes initiatives aimed at supporting career progression, leadership development, and mentorship for females in senior leadership roles. The Group monitors gender diversity at senior levels and works on fostering a leadership culture that mirrors the wider industry and the communities it serves.

Strategic objectives

Key Risks 10 16 20

2022	2023	2024	2025
35%	36%	38%	35%

Carbon intensity (tonnes of CO_2e per FTE)

TAM tracks carbon intensity to reduce its environmental footprint. The Group aims to minimise emissions through energy efficiency, responsible procurement, and sustainable workplace initiatives. By assessing carbon intensity regularly, TAM contributes to a low-carbon economy and aligns with industry best practices.

The carbon intensity has increased this year due to increased data reporting of Scope 3 emissions. Excluding these new categories of emissions, carbon intensity would have fallen from 0.6 to 0.5tCO_2e per FTE.

Strategic objectives

Key Risks 8 11 12 16 20

2022	2023	2024	2025
n/a	n/a	0.6	1.2

Staff retention (%)

Attracting, retaining, and nurturing talent is essential for the Group's long-term success. TAM seeks to maintain a stable workforce and monitors staff turnover rates as an indicator of employee satisfaction, workplace culture, and career development opportunities. The Group aims to provide a work environment, benefits, and professional growth opportunities in order to reduce turnover and retain employees.

Strategic objectives

Key Risks 5 7 10 14 16 17 18 19 20

2022	2023	2024	2025
90%	88%	86%	89%

Gender pay – mean hourly pay gap (%)

Ensuring pay equity is essential to maintaining a fair and transparent workplace. TAM plc is committed to monitoring, reporting, and addressing any gender pay disparities within the organisation.

The lower mean figure reported in 2024 was influenced by one off circumstances and would have been c.40% if normalised. The 2025 figure is more in line with historical levels. The long-term trend since 2021 reflects a gradual narrowing of the gender pay gap.

Strategic objectives

Key Risks 10 16 20

2022	2023	2024	2025
44%	46%	12%	41%

Our APPROACH to RISK

The Group's financial strength and resilience depend on effective risk management. Our risk management framework ensures that the business identifies both existing and emerging risks that could undermine the Group's strategy, and develops appropriate mitigation measures to safeguard the interests of all our stakeholders.

Risk Governance

The Board is ultimately responsible for the Group's risk management and internal control systems and for determining the Group's risk appetite. It has delegated certain responsibilities to the Audit and Risk Committee ("ARC") (see page 56). A risk management framework ("RMF") has been developed by the Board to ensure that all potential areas of risk to the business are identified, assessed, and regularly reviewed on at least a quarterly basis, monitored, and reported.

The ARC met four times in the year and its members are:

- Chris Poil, Chairman (and Senior Independent Non-Executive Board Director)
- Roger Cornick (Non-Executive Chairman of the Board)
- Lesley Watt (Non-Executive Board Director)
- Pippa Hamnett (Non-Executive Board Director, appointed in March 2025)

Other Directors and senior management are invited to attend, as appropriate. The Group's Audit and Risk Committee serves as the focal point for risk management activities, reviewing and challenging specific risks to the Group and reviewing the effectiveness of the frameworks currently in place to manage those risks.

The Remuneration Committee ensures that the Group's remuneration policy reflects and is aligned with the Group's culture and values and does not encourage inappropriate or excessive risk-taking.

Tatton and Paradigm, which both report to the Group's Audit and Risk Committee, have individual responsibilities for managing and overseeing their respective divisional risks. This includes those in compliance functions in these divisions providing reports and updates for each ARC meeting.

Tatton Investment Management Limited ("TIML"), as a regulated entity, has its own Risk and Compliance Committee ("RCC") which reports to the TIML Board and also reports into the ARC and TAM Board. TIML also has its own RMF, which follows the same framework as the Group but is separately documented to comply with FCA requirements. The TIML RMF has been enhanced during the year, following both internal and external review, to ensure that risks continue to be identified, assessed, managed, and monitored effectively. The key enhancements relate to the production of new "bottom-up" Risk and Control Self-Assessment data and alignment of the framework to the firm's Task Force on Climate-related Financial Disclosures obligations.

TAM's internal governance structure includes departmental management reviews with dedicated risk registers, where each department is responsible for overseeing key investment, operational, and corporate functions. There is also a Group ESG Committee, which is responsible for driving forward ESG targets that are approved by the Board; this provides information to the Board in respect of ESG priorities, risks and opportunities, including those which are climate-related. Climate-related risks are included within the Group's risk register and considered as part of our principal risks, as detailed on the following pages.

As part of its governance framework, TIML has established a Project and Change Committee responsible for overseeing business cases related to strategic initiatives, such as major IT developments and new product launches. The Committee plays a key role in guiding the product development lifecycle and ensuring alignment with the Company's objectives. Its members are accountable for approving business cases and reporting progress to the TIML Board. With cross-departmental representation, the Committee ensures that the potential impact of proposed changes is thoroughly assessed across all key business functions, including Operations, IT, Sales and Marketing, Investments, Compliance, and Finance.

Risk Appetite

The Board's strategic objectives and expectations are that the business will continue to grow; however, it seeks to ensure that the risks taken by the Group are managed, in order to achieve a balance between appropriate levels of risk and return. Ownership of risk rests within the relevant division and teams, with oversight and escalation to the Group Board where required and each division is responsible for setting risk appetite statements for financial, industry, and operational risks, along with key risk indicators.

The Board encourages a strong risk culture throughout the business. It believes an embedded risk culture enhances the effectiveness of risk management and decision making across the Group. The Board is responsible for setting the right tone for this risk culture and, through our senior management team, for encouraging appropriate behaviours and collaboration on managing risk across the business. This strong risk culture ensures that all employees are able to identify, assess, manage, and report against the risks the Group faces. The Executive Committee is made up of the Executive Directors of TAM and is responsible for ensuring that individual behaviours meet the Group's high standards of conduct within their respective businesses or functional areas. Every employee plays a role in upholding TAM's strong control culture and in supporting effective risk management.

Risk Identification

We carry out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten our business model, future performance, solvency, or liquidity. This is achieved by adopting a top-down as well as a bottom-up approach. The top-down review comes from the Board, the Audit and Risk Committee, and senior management, with a focus on strategic risks that could impact the Group's long-term goals. This approach identifies significant enterprise-level risks, understands any controls in place, and ensures that resources are allocated to manage and mitigate high-impact risks. The bottom-up approach engages with all operational levels of the Group, focusing on day-to-day risks and processes. All employees are encouraged to report risks, and this can lead to additional risks being identified that may not be visible to Group leadership.

The Group categorises risks into three risk groups – Industry, Operational, and Financial – and assesses the potential impacts on clients, revenue, capital, and reputation. Climate-related risks are also considered across these risk groups. The Audit and Risk Committee meets

RISK MANAGEMENT CONTINUED

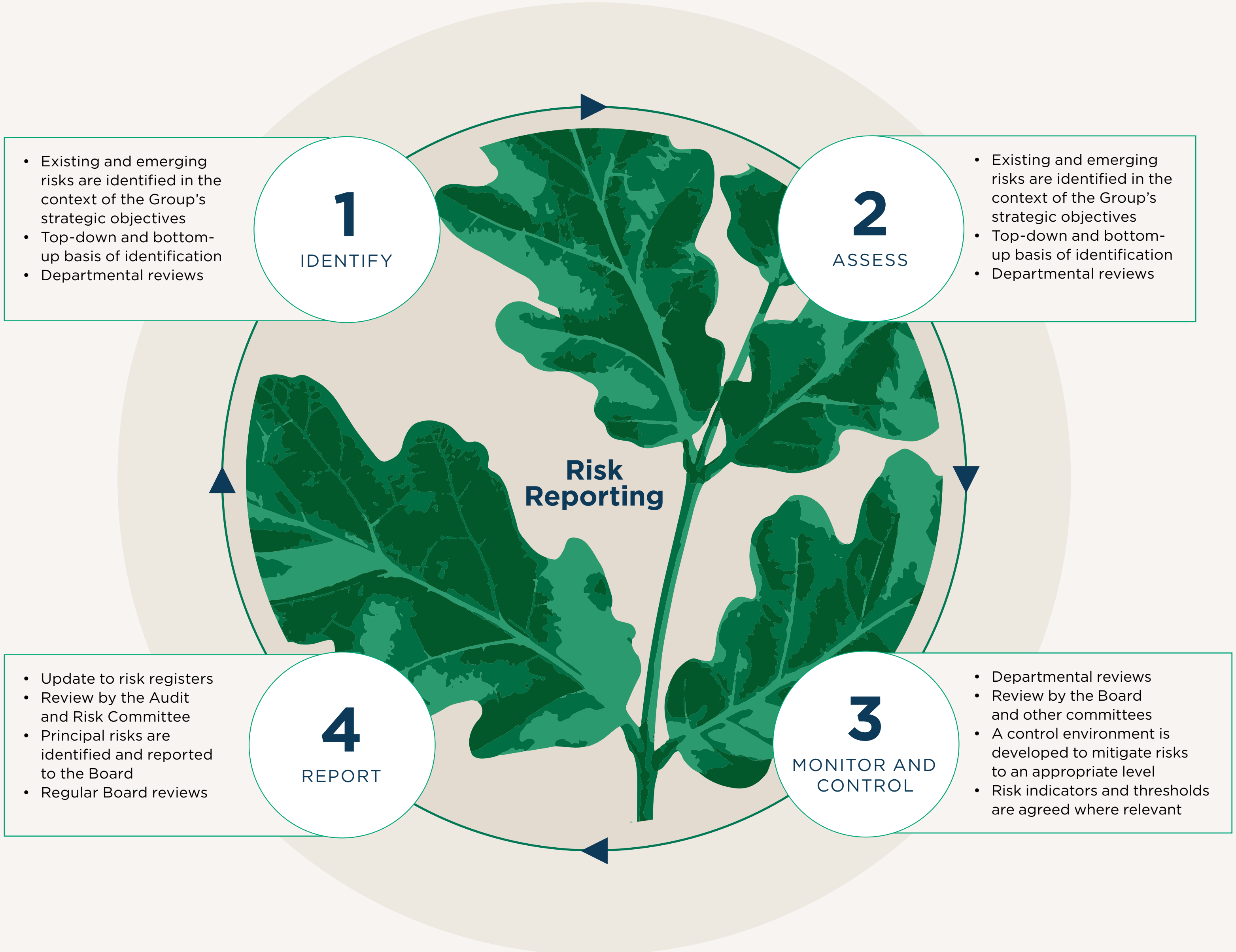
approximately once a quarter and, at each meeting, it reviews the Group's risk registers and mitigating processes to ensure that these are considered acceptable to the risk appetite as determined by the Board.

Risk Control and Management

The ARC, along with TIML's RCC, consider and review the strength and effectiveness of controls across the organisation as part of the review of the various risk registers. This is achieved by moving towards a "three lines of defence" model, as illustrated on the next page.

Risk Assessment and Reporting

Our assessment of risks involves ranking risks based on the probability of their occurrence and the impact of the risk on the business, thereby providing a clearer view of their significance. This is achieved by assigning a value to the potential impact of the risk, multiplied by a value based on the likelihood of its occurrence. Risks that exhibit a sufficiently high likelihood of causing material harm to the Group are specifically highlighted on the Group's risk management dashboard. The Board ensures that management take action where these risks are deemed to be outside the Group's risk tolerance. The ARC provides the Board with the Group's principal risks register so that the Board has oversight over these risks and to ensure that they receive the necessary attention, allowing for informed decision making and proactive risk mitigation. This task is performed alongside a review of the Group's KPIs (see pages 20 to 22) to ensure that the risks are understood in the context of business performance.



Internal Capital Adequacy and Risk Assessment (“ICARA”)

In line with FCA requirements, TIML carries out an ICARA analysis to ensure that it has appropriate systems and controls in place to identify, monitor, and, where appropriate, reduce any material harms that may result from the operation of its business. The ICARA provides a clear, accurate and transparent link between the risk profile of the business and the capital and liquidity held by the firm to support its Own Funds Threshold requirement. TIML also reviews material harms across its risk appetite categories.

Principal Risks

The following pages of this Annual Report show our assessment of the principal risks that we face, along with how the significance of each risk has changed during the year. These are not given in order of priority, but are grouped into financial, industry, and operational risks to summarise the key risks faced by the Group. The Board evaluates and assesses new and emerging risks at each Board meeting throughout the year, aiming to identify potential threats that may impact the Group’s operations, reputation, and objectives. This proactive approach enables us to stay ahead of potential disruptions, make informed decisions, and adapt our strategies to implement appropriate risk mitigation measures. Risks are added to or removed from the list of principal risks, following review and assessment by the Audit and Risk Committee. During the year, there have been two new principal risks added: Acquisitions and Regulatory Capital. These have previously been included on the Group’s risk registers, but this year the Audit and Risk Committee have designated these as a principal risk of the business to ensure that they are regularly reviewed and monitored by the Board.

Emerging Risks

Emerging risks are considered within the Group’s principal risks already identified rather than being listed separately. Emerging areas such as climate changes, increased use of artificial intelligence (“AI”) or the increased volume and sophistication of cyber threats across the industry are considered within the principal risk to which they relate and are mitigated through existing controls and processes of monitoring and reporting all risks.

BOARD

AUDIT AND RISK COMMITTEE

RISK MANAGEMENT

EXECUTIVE COMMITTEE, TIML RISK AND COMPLIANCE COMMITTEE, ESG COMMITTEE, AND LEADERSHIP TEAM

First line of defence

Ownership and management of risk within the business

Each division’s senior management team is accountable for identifying and managing their division’s risks in line with the risk management framework. They are responsible for developing and maintaining effective internal controls to mitigate risk to an acceptable level.

Second line of defence

Risk oversight and challenge

The TAM Board, the Audit and Risk Committee, the TIML Board, the TIML Risk and Compliance Committee, and those involved in compliance functions maintain a level of independence from the first line. They provide oversight and challenge of first-line risk management activity, and provide guidance and direction on the Group’s policies and procedures relating to risk management and compliance.

Third line of defence

Independent assurance

The Group does not operate an internal audit function (see more information on page 65); however, there are other external bodies that provide some independent assurance, perspective, and challenge. Third party companies are used for reviewing and testing areas such as IT security through penetration testing, compliance, human resources, and health and safety.

PRINCIPAL RISKS

Key
↑ Risk increased ↓ Risk decreased — Risk unchanged
● High ● Medium ● Low

Financial Risks

RISK	TREND	RISK RATING	IMPACT	MITIGATION
1 **COUNTERPARTY CREDIT RISK** A counterparty to a financial obligation may default on repayments.	—	●	• Unintended market exposure • Impact on the Group's liquidity	• The Group trades only with reputable, credit-worthy third parties • Robust control and compliance procedures ensure that receivable balances are proactively reviewed and escalated where appropriate • Most receivables are paid monthly
2 **LIQUIDITY RISK** The Group may be unable to meet financial liabilities as they become due, because of a shortfall in cash or other liquid assets, or an inability to obtain sufficient additional funding. The Group's cash position and cash generation has been strong in the year (see the Consolidated statement of cash flows on page 86).	↓	●	• Reputational damage • Potential customer detriment • Financial loss • Inability to meet obligations as they fall due	• Profitable and cash-generative business • Active cash flow forecasting and liquidity management ensures the availability of funds at short notice • The Group maintains a cash surplus above regulatory liquidity and working capital requirements
3 **BANK DEFAULT** The risk that one of the Group's relationship banks could default.	↓	●	• Financial loss • Inability to meet obligations as they fall due	• The Group only uses banks with strong credit ratings • Banking relationships are reviewed regularly • The Group holds it cash across three banks and one money market fund, therefore providing diversification
4 **CONCENTRATION RISK** Risk arising from a lack of diversification in business activity or geography. The Group continues to grow its firm numbers and keeps its proposition under review, launching a range of passive funds in May 2024.	↓	●	• Over-reliance on one business activity could lead to financial under-performance	• A broad range of business services is offered, providing diversified revenue streams and a diverse and growing client base, which has increased during the year as a result of organic growth • Recruitment into the Group's sales functions is ongoing in the year in order to grow AUM across a broader client base
5 **ACQUISITIONS** Acquisitions, including of a DFM business, range of funds, or entering into a joint venture, could lead to the risk of a negative impact on the Group's financial performance, regulatory capital or liquidity position, or operational risk.	—	●	• Impact on Group's liquidity • Poor due diligence, integration, or post-acquisition performance of the acquired business could impact the return on investment	• Working groups have been set up across TAM as required to ensure that there are representatives from the key areas of business to manage acquisition process, due diligence, and integration • Regular review of post-acquisition performance, representation on Board of any acquisitions with less than 100% ownership
6 **REGULATORY CAPITAL** The risk that the regulated entities within the Group, or the Group itself in its consolidated position, do not hold sufficient regulatory capital and liquidity in line with the requirements of the Financial Conduct Authority's ("FCA") Investment Firms Prudential Regime ("IFPR").	—	●	• Regulatory fines and/or censure if requirements are not met • Debt funding for any future acquisitions may be limited due to the impact on regulatory capital headroom	• Monthly review of current and forecast regulatory capital and liquidity position • Regulatory capital implications considered for transactions, e.g. dividends, acquisitions • TIML carries out an annual ICARA process undertaken to understand any changes in the risks faced by the business

PRINCIPAL RISKS CONTINUED

Key

↑	Risk increased	↓	Risk decreased	–	Risk unchanged
● (red)	High	● (orange)	Medium	● (green)	Low

Industry Risks

RISK	TREND	RISK RATING	IMPACT	MITIGATION
7 ADVERSE MACROECONOMIC, POLITICAL, AND MARKET FACTORS Economic, political, and market forces particularly impacting the UK equity markets that are beyond the Group's control could adversely affect the value of AUM, from which the Group derives revenues. In addition, these forces impact the UK housing market, which, in turn, affects Paradigm's revenue. The ongoing impact of changes to interest rates, inflation, and market volatility has seen this risk increase during the year.	↑	Medium	• Downturns in the market and the resultant falls in AUM or other income would have a negative impact on the Group's revenue and profit • Market uncertainty can lead to clients being reluctant to invest in the market, thereby reducing net asset inflows • Cost of living increases and uncertainty around interest rates can lead to individuals being cautious when it comes to remortgaging or moving house, thereby impacting mortgage completions • A change in government after a general election could lead to economic uncertainty or a change in policies	• The Group has an experienced investment management team with a strong track record • Investment strategies are continually monitored by the Investment Committee • A prudent approach to investment strategy means that a significant proportion of AUM is made up of lower risk appetite portfolios, which typically have a market fall correlation of approximately 60% • Paradigm has a comprehensive panel and a growing number of firms to drive mortgage completions
8 REGULATORY RISK Changes to or new legislation and/or regulation, for example, the new Consumer Duty or changes to the interpretation and/or failure to comply with existing legislation and/or regulation, may adversely impact the Group's operations and competitive position.	–	Medium	• Poor conduct could have a negative impact on providing good customer outcomes, impacting the Group's ability to achieve strategic objectives • Related negative publicity could reduce customer confidence and affect the ability to generate net asset inflows • Complaints and claims from third parties and clients in connection with the Group's regulatory responsibilities could have an adverse impact on the Group's financial condition • Regulatory fines and/or censure	• Robust compliance and risk frameworks are in place across the Group • The Group delivers strong regulatory and compliance support to clients through dedicated compliance teams and systems • The Group's strong financial position ensures that it can meet its regulatory capital requirements and it also provides a safeguard, should further changes to regulatory capital requirements occur • Regulatory support is a core business stream for the Group, and a strong risk culture exists throughout the Group • Consumer Duty requirements are embedded into the Group's services, with the Paradigm division providing Consumer Duty programs to continue to support firms in this area • While the introduction of SDR requirements for MPS have been paused, this is being kept under review to understand any impact in the future
9 CHANGE TO UK TAX LAW A change to UK tax law could adversely impact the performance and attractiveness of long-term savings and investment through pensions and other wrap products. Changes in the macroeconomic environment, as well as political changes, have heightened this risk.	↑	Medium	• Increase in taxes and changes to the tax treatment of investments could result in a reduction in savings and investment in pensions and other wrap products, thereby reducing AUM and the Group's revenue	• The Group has a broad service offering, providing diversified revenue streams

PRINCIPAL RISKS CONTINUED

Key						
	↑	Risk increased	↓	Risk decreased	–	Risk unchanged
	●	High	●	Medium	●	Low

Industry Risks continued

RISK	TREND	RISK RATING	IMPACT	MITIGATION
10 CHANGING COMPETITIVE ENVIRONMENT The market environment in which the Group operates is highly competitive, with fast-changing characteristics and trends. Factors that can shift over time include: preferences between advisory and discretionary led management, outsourcing regulatory responsibilities/in-house provision, among many others. AUM growth among the Group's competitors has shown that this risk has increased during the year.	↑	Medium	• Loss of competitive advantage, such that AUM and client number targets are adversely impacted. This would have a negative impact on revenue and profitability	• Broad service offering providing diversified revenue streams across an increased number of platforms • Highly competitive price points • Deep industry experience and strong client relationships, resulting in a loyal customer base • Strong brand and excellent reputation
11 ADVERSE MARKET RETURNS RELATED TO CLIMATE PERFORMANCE Assets with exposure to climate-related market risks may suffer poor performance during a transition to a lower carbon economy, affecting Tatton's portfolio returns and client outcomes. As firms increase their focus in this area, more action is being taken that could lead to increased costs or market uncertainty and volatility, which has increased the risk this year.	↑	Medium	• Market volatility stemming from environmental regulations, consumer preferences, and technological shifts could lead to fluctuations in the valuations and returns of financial assets • Reduced short-term returns might result in a decline in AUM, potentially adversely affecting the Group's revenue and profit • Uncertainty regarding market performance may cause clients to hesitate when investing, thereby reducing net asset inflows • Changes in climate-related policies can disrupt traditional markets and create new opportunities, such as the rapid growth of the renewable energy sector. If these opportunities are not identified, this could lead to reduced returns and/or net asset outflows	• Portfolios contain a range of c.20 to 40 funds per portfolio and are, therefore, highly diversified • Investment strategies are continually monitored by the Investment Committee, with a specialised Ethical Investment Committee to monitor and review the evolving markets with exposure to climate-related risks • Tatton has an over ten year track record of relevant experience in running our ethical portfolios • As part of our fund research process, we utilise third party providers to screen funds when evaluating their overall exposures
12 CLIMATE-RELATED POLICY, LEGAL, AND REGULATORY CHANGES New environmental and sustainability-related disclosure requirements or regulations applicable to Tatton's investment products may lead to additional compliance and operational costs. Tatton reported under TCFD rules for the first time in 2024, and, with increasing regulation and disclosure requirements, this risk has heightened during the year.	–	Medium	• An increase in operating costs and the required resources to adhere to new climate-related policies and regulations would decrease the Group's profit • Stricter climate policies may require companies to adhere to new regulations, such as stricter emission standards or carbon pricing mechanisms. Failure to comply could result in financial penalties or reputational damage • Claims and complaints from clients or third parties related to the Group's regulatory duties around climate policies could have a negative impact on the Group's financial standing	• Paradigm's compliance services to IFAs represent a core business stream for the Group. As such, this ensures a strong risk culture throughout the business, with ongoing monitoring of new policies and regulations within the investment management sector • The Group has experienced in-house resources and a robust Project and Change Committee governance structure to ensure that the business can readily adapt to changes in market • Tatton's Ethical Investment Committee regularly monitor changes in policies and regulations to identify opportunities in market performance

PRINCIPAL RISKS CONTINUED

Key ↑ Risk increased ↓ Risk decreased — Risk unchanged
● High ● Medium ● Low

Industry Risks continued

RISK	TREND	RISK RATING	IMPACT	MITIGATION
13 **CHANGES IN THE PRIORITIES OF GENERATIONAL WEALTH** As financial assets are passed down from one generation to the next, younger investors may have a different view of how their inheritance is managed. This could lead to younger investors moving their assets to alternative products or providers. This risk is considered to have increased this year as these generations take on wealth from the generation before them.	↑	Low	• Younger investors, such as Generation X members and millennials, may prioritise sustainable and socially responsible investments over financial returns. This could lead to an increased demand for ESG investment opportunities and may impact traditional investment strategies. • Increased likelihood of younger investors embracing technologically driven investment platforms and following virtual investment advice or using artificial intelligence. This shift may lead to a greater emphasis on online investment tools and mobile apps for managing portfolios and accessing financial advice • Younger generations may allocate capital and funds differently from previous generations, which has the potential to impact AUM in the market	• Tatton was a first mover in the ethical MPS investing space, launching our first Tatton Ethical Model in 2014 in response to adviser demand, following client planning conversations • The Group puts the IFA at the heart of everything we do, enabling a relationship built on trust and shared insight, which allows Tatton to be at the forefront in adapting to changing client needs • Tatton operates as an on-platform-only MPS DFM service, as we believe this provides transparency and accessibility to client investments, following the continued shift towards new technological tools
14 **TECHNOLOGICAL RISK** There is a risk that innovative technologies may fundamentally change business operations. The emergence of disruptive technologies like AI has the potential to reshape how trading, investment advice, customer service, and portfolio management are approached, both within the Group and across the wider market, increasing the level of this risk. There is also a risk that the development, execution, and administration of these technologies might not align with future business needs, posing potential challenges.	↑	Medium	• We acknowledge the substantial potential of AI to enhance our operational efficiency, while also recognising the risks it poses • Insufficient investment in technology over an extended period could impede our capacity to effectively serve and fulfil our customers' requirements • Failure to implement and oversee new technology that meets our operational needs could have a significant impact on the service we offer to IFAs and their clients • Technological malfunctions may result in financial or regulatory repercussions, as well as harm to our reputation	• We aim to embrace AI, initially concentrating on internal operations rather than customer-facing activities, to continue to enhance operational efficiency • The Group conducts routine architectural assessments of applications and of the supporting infrastructure and services • Our rigorous business continuity plans and testing procedures ensure the resilience of critical systems in the event of service interruptions • We continue to work with all vendors to ensure that we have no known vulnerabilities within our environment

PRINCIPAL RISKS CONTINUED

Key					
↑	Risk increased	↓	Risk decreased	–	Risk unchanged
🔴	High	🟠	Medium	🟢	Low

Operational Risks

RISK	TREND	RISK RATING	IMPACT	MITIGATION
15 **FAILURE OF A THIRD PARTY SERVICE PROVIDER** The Group manages its investments through the use of third party service providers, e.g. platforms/authorised corporate director providers. Operational failure or the cessation of trading of a significant third party could have a material adverse impact on the Group's reputation, operations, financial performance, and growth.	–	Low	• Poor conduct could have a negative impact on providing good customer outcomes, impacting the Group's ability to achieve strategic objectives • Related negative publicity could reduce customer confidence and affect the Group's ability to generate net asset inflows • Complaints and claims from third parties and clients in connection with the Group's regulatory responsibilities could have an adverse impact on the Group's financial condition • Regulatory fines and/or censure	• Due diligence is performed when selecting key suppliers • The Group is covered by third party indemnities for business-critical services • Third party relationships are subjected to a high level of ongoing oversight, including due diligence and regular governance meetings. This gives assurance that third party platform providers meet the Group's high standards
16 **FAILURE TO RECRUIT AND RETAIN QUALITY PERSONNEL** The Group operates in a competitive market for talent, and failure to recruit and retain key personnel could adversely impact the Group's operational performance.	–	Medium	• Loss of key staff • Inability to meet client needs • Reputational damage • Compromised working conditions and lowered morale among other staff members • The Group could fall behind its peers in competition and proposition	• Recruitment programmes are in place to attract suitable staff • As a successful AIM-listed business, we continue to attract and retain high-calibre candidates • Staff share schemes are in place to incentivise staff and encourage long-term retention • On-the-job training and access to professional qualifications to enable staff to develop • Extension of employee benefits through new Group-wide healthcare insurance
17 **FAILURE OF INVESTMENT STRATEGY** There is a risk that the investment strategy fails to maintain an acceptable level of performance, particularly in times of significant market volatility, which may result in a decline in revenues and in the value of those assets from which revenues are derived. There is also a risk that Tatton portfolios are not seen as competitive in risk/return terms relative to internal/external benchmarks, as well as to peers.	–	Low	• This may cause a negative impact on the achievement of the strategic targets for AUM, net inflows, and client numbers • Poor client outcomes that may also prevent the achievement of our growth targets • Reputational damage	• The Group has an experienced investment management team with a strong track record • Investment strategies are continually monitored by senior management, the Investment Committee, and the Board • Portfolios are regularly benchmarked against internal, external, and peer comparators, with investigations being undertaken when warranted

PRINCIPAL RISKS CONTINUED

Key			
↑ Risk increased	↓ Risk decreased	– Risk unchanged	
● High	● Medium	● Low	

Operational Risks continued

RISK	TREND	RISK RATING	IMPACT	MITIGATION
18 LOSS OR FAILURE OF A KEY IFA CLIENT The Group has several major IFA clients and strategic partnerships. A change in relationship or the termination of business with any of these key clients, for example, as a result of consolidation, and the Group being unable to replace them in a timely fashion could have an adverse impact.	–	Medium	• There could be a negative impact on achievement and the retention of AUM • The Group could fail to achieve growth targets and the requirement to provide commentary giving a rationale regarding this issue • Reputational damage in terms of the risk that TAM is not perceived as a leader in its field • During this financial year, Tatton has received notice to end its long-standing partnership with Perspective Financial Group ("PFG"); this represents £2.9bn of AUM and will impact earnings by £1.2m on an annualised basis from FY27	• The Group has a clearly defined business development strategy and a broad service offering • The Group continues to add member firms, thereby diversifying its client base • Client engagement is proactively managed by dedicated client managers who have in-depth knowledge of the IFA industry, and expert regulatory and compliance knowledge • The TIML DFM fee is competitively priced • Tatton does not have any other agreements or clients of a similar nature to PFG, though has secured a major provider mandate which is expected to help mitigate the loss of PFG's AUM and income
19 SYSTEM FAILURE, CYBER SECURITY, AND DATA PROTECTION The risk that operations are impacted or that data loss or data breach occurs due to system error, malfunction, or malicious external breach. There has continued to be an increased level of attempted financial fraud across the industry over the past year, alongside increased cyber security risks.	↑	Medium	• Related negative publicity could damage customer and market confidence in the business, affecting our ability to retain and attract new customers • Information security breaches could result in fines/censure from regulators, the Information Commissioner's Office, and the FCA	• The Group has an experienced in-house team of IT professionals, supported by reputable and established third party suppliers • IT disaster recovery procedures are in place • Data Protection Officers have been appointed and penetration testing is conducted regularly • There is an increased awareness and training of employees, as well as increased monitoring of cyber security threats
20 REPUTATIONAL RISK RELATING TO ESG ACTIVITIES If Tatton is perceived to have an inadequate response to ESG-related activities, such as to climate change and a lower-carbon economy, this could potentially harm its brand and reputation. Reputational damage can be caused by not meeting stakeholder expectations or our commitments and could lead to lower customer demand or reduced access to talent or finance. Due to the increased focus on climate change in the market, this risk is considered to have increased in the year, with an increased level of consideration being given to it by the Audit and Risk Committee and the Board.	↑	Medium	• The Group could suffer damage to its reputation, eroding trust and making it difficult to attract and retain customers, employees, partners, and investors • An inability to deliver change can result in reputational damage to the Group, making it difficult to attract customers and talent • Reputational damage that is driving resource shortfalls may impact quality and service and could lead to a decline in consumer service and positive outcomes • Deterioration in the market perception of Tatton could lead to outflows or reduction in assets under management • Reputational damage with regulators could lead to increased capital requirements or other financial implications	• We have set up a climate-related working Group to ensure that we are able to comply with regulatory requirements in good time • The business culture, processes, and controls result in the Group upholding its reputation of integrity, transparency and consistency, fostering strong and mutually beneficial relationships with IFAs, employees, third party providers and regulators • We provide ethical investment options as part of our range, and review our product literature to ensure that it meets the test of being fair, clear, and not misleading • We are reviewing the FCA's Sustainability Disclosure Requirements and investment labels package of measures, to ensure that we meet the new requirements • We have embedded the TCFD recommendations and are continuing to consider areas in which to develop our reporting in the future

CHIEF FINANCIAL OFFICER'S REPORT

Creating **VALUE** through **DISCIPLINED GROWTH** and **STRATEGIC** delivery

Introduction

Tatton Asset Management plc delivered another year of robust growth, supported by strong operational performance and strategic progress. Our differentiated propositions, underpinned by consistent high-quality service and investment performance, have driven sustainable revenue and profit growth in a year shaped by fluctuating market conditions and persistent geopolitical instability.

Record net inflows, combined with a resilient operating model, contributed to over 20% growth in both revenue and operating profit. The Group's strong cash generation and high liquidity continue to underpin a solid balance sheet, providing flexibility for future investment and shareholder returns.

Income Statement Highlights

Group revenue increased by 23.1% to £45.3m (2024: £36.8m), driven by strong organic growth across the business and Group adjusted operating profit[1] increased by 23.9% to £22.9m (2024: £18.5m) and operating profit increased to £20.7m (2024: £16.5m). Tatton has made a significant contribution to this growth through its continued growth in AUM/I1, with a 26.3% increase in Tatton's revenue from £30.9m to £39.0m. AUM/I[1] has increased by 24.0% to reach £21.8bn (2024: £17.6bn), particularly driven by consistent net inflows across the year into our market-leading MPS range. The breadth of our MPS offering – across risk profiles and investment styles – continues to resonate with advisers, backed by our long-term track record of consistent investment performance and client service, which provide a solid foundation for ongoing support from our IFA firms. Investment-related income now represents 86.0% (2024: 83.9%) of total Group revenue and we anticipate that this trend will continue to be supported by our strategic focus, and the continuation of current trends in the MPS market.

Tatton's adjusted operating profit[1] rose 28.0% to £24.9m (2024: £19.4m) and its adjusted operating profit margin[1] increased to 63.8% (2024: 63.0%). Statutory operating profit increased to £23.9m (2024: £18.6m), with an increase in margin from 60.2% to 61.2%.

Paradigm's revenue increased modestly from £5.9m to £6.3m, driven by mortgage completions rising to £14.2bn (2024: £13.1bn). Operating profit remained consistent at £1.5m and adjusted operating profit[1] held at £1.8m (2024: £1.8m). Adjusted operating profit margin[1] reduced slightly from 29.9% to 29.0%, with a similar decrease in statutory operating profit margin from 25.6% to 24.4%, reflecting the cost of ongoing investment in operational capacity.

RECONCILIATION BETWEEN ADJUSTED OPERATING PROFIT AND STATUTORY OPERATING PROFIT

£M	**2025**	2024
Adjusted operating profit[1]	**22.9**	18.5
Effect of adjustments:		
Share-based payment costs	**(1.5)**	(1.4)
Amortisation of acquisition-related intangibles	**(0.6)**	(0.6)
Exceptional items	**–**	(1.3)
Gain arising on changes in fair value of contingent consideration	**–**	1.4
Operating loss due to non-controlling interest	**(0.1)**	(0.1)
Operating profit	**20.7**	16.5

1. Alternative performance measures are detailed in note 27.

Cost Base and Investment

The Group's cost base increased in line with strategic investments and ongoing inflationary pressures, with an increase in administrative expenses of £5.3m in the year. The Group's administrative expenses include £2.0m of separately disclosed items (2024: £0.5m), with the remaining £0.3m of separately disclosed items being included in the share of loss of joint ventures. The cost of separately disclosed items has increased in the year due to the gain of £1.4m included in the prior year results relating to the change in fair value of contingent consideration. Excluding these separately disclosed items, the remaining growth in costs is £3.9m, or an increase of 20.9%. Of this growth, 11.2% is people-cost-related with the remaining increase predominately reflecting the ongoing investment in marketing and distribution activity, along with governance and compliance costs.

Personnel costs, which constitute approximately 60% of total expenses, rose due to an average salary increase of 5%, implemented to support talent retention and recruitment. This figure excludes Executive Directors, whose remuneration was subject to a one-off realignment following a prolonged period of unchanged salaries since IPO. Variable pay contributed 16% of total costs, up from 12% in the prior year, reflecting the strong financial and operational performance in the year.

Total headcount set out in note 13 is 113, an increase of 9 on the prior year, reflecting investment particularly in our distribution capability.

We remain focused on ensuring a high degree of discipline in managing our cost base and expect medium term cost increases to normalise closer to 10-12% per annum.

Results of Joint Ventures

The Group results include a share of the loss from joint ventures of £0.1m (2024: £1.2m loss). The prior year included a £1.25m impairment, with no further impairment deemed necessary this year following a review of the carrying value.

Separately Disclosed Items

Separately disclosed items are adjusting items to operating profit; these total £2.3m (2024: £2.1m), comprising:

- £1.5m in share-based payment costs (2024: £1.5m);
- £0.7m amortisation of acquisition-related intangible assets (2024: £0.6m); and
- £0.1m adjustment to remove the operating loss relating to a non-controlling interest in Fintegrate Financial Solutions Limited ("Fintegrate"), in order to reflect the adjusted operating profit[1] attributable to shareholders of TAM.

Alternative Performance Measures ("APMs")

APMs are a financial measure of historical or future financial performance, financial position, or cash flow, other than a financial measure under IFRS. A comparison between key statutory measures and APMs is detailed in the table shown on this page, with further information as to the reconciliation between the two measures being provided in note 27. A reconciliation between statutory and adjusted operating profit[1] for the year ended 31 March 2025, with comparatives, is shown on the previous page.

The APMs provide additional information to investors and other external shareholders, to provide an additional understanding of the Group's results of operations as supplemental measures of performance. The APMs are used by the Board and management to analyse the Group's business and financial performance, track the Group's progress, and help develop long-term strategic plans. Some APMs are also used as key management incentive metrics.

Finance Income

The Group has recognised finance income of £1.0m (2024: £0.6m), due to the interest received on its own cash, which increased from £24.8m to £32.1m over the year.

Taxation

The Group's tax charge for the year is £5.6m (2024: £3.8m), an effective tax rate of 26% (2024: 23%) – broadly in line with the UK statutory rate. A deferred tax asset of £2.9m (2024: £2.6m) was recognised, primarily due to unexercised share options whose value increased alongside TAM's share price. This deferred tax asset is expected to be recoverable against future profits.

Statement of Financial Position and Cash

The Group maintains a robust financial position, with net assets of £50.6m (2024: £43.3m) and cash of £32.1m (2024: £24.8m). Cash and cash equivalents includes cash, money market funds and banking deposits. We operate a highly cash-generative business, converting profits into cash quickly due to a short working capital cycle. We generated net cash from operating activities of £18.8m (2024: £13.2m), with a net increase in cash and cash equivalents of £7.3m in the year. Significant non-operating cash flows during the year were as follows:

- Outflows relating to the payment of dividends of £10.4m (2024: £10.8m);
- Seed Investment of £1.0m in Tatton's new range of passive funds launched in this financial year; this is currently held as a financial asset at fair value through profit and loss on the balance sheet;
- Payment of contingent consideration of £0.5m (2024: £0.9m) relating to the acquisition of the Verbatim funds;

STATUTORY	MAR-25	MAR-24
Operating profit (£m)	**20.686**	16.464
Basic EPS (p)	**26.43**	21.39
Diluted EPS (p)	**26.21**	21.02

ALTERNATIVE PERFORMANCE MEASURE	MAR-25	MAR-24
Adjusted operating profit (£m)	**22.946**	18.514
Adjusted basic EPS (p)	**29.42**	23.73
Adjusted fully diluted EPS (p)	**28.65**	22.91

- Payments to acquire intangible assets of £0.4m (2024: £0.2m); and
- Interest received on corporate cash in bank accounts and money market funds of £1.0m (2024: £0.6m).

Working Capital

As at March 2025, current trade and other payables increased by £3.1m, largely due to higher accruals (£2.8m), reflecting increased variable pay and cash bonuses due to the financial performance delivered in the current year, and also due to activity-related expenditure such as increased levels of marketing activity and procuration commission payable to mortgage firms. This is partly offset by a reduction of £0.5m in the fair value of contingent consideration due to a payment in the year, with one payment remaining in respect of the Verbatim funds with fair value of £0.4m.

Current trade and other receivables have increased from £5.1m to £6.5m, which is largely attributed to interest-bearing receivable loans outstanding at the year end, which are expected to be repaid within the next twelve months.

Capital Allocation and Liquidity Management

Total shareholders' equity, as at 31 March 2025, made up of share capital, share premium, retained earnings and other reserves, increased to £50.6m (2024: £43.3m). Delivering sustainable value to our shareholders and maintaining a disciplined and efficient approach to managing shareholder capital is of the highest importance to the Board. Our financial resources are continually kept under review, incorporating comprehensive stress and scenario-testing which is formally reviewed and agreed at least annually via the Internal Capital Adequacy and Risk Assessment ("ICARA") process.

Regulatory capital reconciliation

£'000	31-MAR 2025	31-MAR 2024
Total shareholder funds	**50,552**	43,334
Less: Foreseeable dividend	**(5,700)**	(4,841)
Less: Non-qualifying assets	**(21,428)**	(21,405)
Total qualifying capital resources	**23,424**	17,088
Less: Capital requirement	**(4,561)**	(4,274)
Surplus capital	**18,863**	12,814
% Capital resource requirement held	**514%**	400%

The Group continues to maintain a robust capital base, with a surplus of capital of £18.9m above the regulatory minimum at 31 March 2025, and which takes into account the proposed final dividend for the year. This surplus supports ongoing strategic investment and our progressive dividend policy.

The Group includes two regulated entities: Tatton Investment Management Limited, 100% owned and controlled by the Group, and 8AM Global Limited, 50% owned and controlled by the Group. Both companies are subject to the Financial Conduct Authority's ("FCA") Investment Firms prudential Regime ("IFPR"). As such, the Group, being the parent entity, is obliged to adhere to MIFIDPRU rules within the IFPR framework and must report to the FCA on a prudential consolidation basis. The Group forecasts surplus capital and liquidity, factoring in anticipated outflows and proposed dividends, to ensure the perpetual adequacy of capital and liquidity.

As we grow, capital allocation decisions will continue to be made in a manner that supports the Group's strategic objectives, maximises shareholder value, and sustains long-term growth. We will continue to invest in strategic initiatives, not only by prioritising organic growth, by investing in our product offering and people capability, but also by making strategically aligned investments and acquisitions.

This year, return on capital employed[1] was 48.0% (2024: 41.9%), highlighting our ability to deploy capital efficiently. The Board regularly reviews the Group's capital structure, to ensure alignment with the Group's strategic objectives and will respond, should the needs of our business and market change.

Earnings per Share ("EPS")

Basic EPS increased by 23.6% to 26.43p (2024: 21.39p), in line with the increase in operating profit due to this year's strong results. Adjusted fully diluted EPS[1], with the impact of separately disclosed items removed, has increased by 25.1% to 28.65p (2024: 22.91p), with adjusted diluted EPS of 29.17p (2024: 23.32p).

Dividends

The Board is recommending a final dividend of 9.5p. When added to the interim dividend of 9.5p, this gives a full year dividend of 19.0p (2024: 16.0p), an increase of 18.8% on the prior year. This proposed dividend reflects our underlying confidence in our business and we maintain our policy of paying a dividend that is approximately 70% of the adjusted earnings, split 50:50 between interim and final dividend. If approved at the Annual General Meeting, the final dividend will be paid on 31 July 2025 to shareholders on the register on 20 June 2025.

Risk Management

Risk is carefully monitored and is managed across each business line, with regular reviews of key exposures. Principal risks and key performance indicators are detailed on pages 26 to 31 and 20 to 22, respectively. Our strategic approach to capital, regulation, and investment is designed to ensure long-term resilience, while continuing to deliver growth and value.

Conclusion

The Group remains well-capitalised, highly cash-generative, and well positioned for continued growth. Operational leverage, supported by scalable infrastructure and a disciplined cost culture, provides confidence in our ability to maintain strong financial performance while investing for the future.

The Strategic Report found on pages 1 to 53 has been approved and authorised for issue by the Board of Directors and is signed on their behalf on 9 June 2025 by:

PAUL EDWARDS
CHIEF FINANCIAL OFFICER

1. Alternative performance measures are detailed in note 27.

ESG

Environmental, SOCIAL, and GOVERNANCE overview

Tatton Asset Management plc is dedicated to ensuring that it delivers the highest quality of discretionary investment management and market leading IFA support services, whilst holding itself accountable for the impact that the Group's business strategy can have on environmental, social, and governance factors.

TAM believes that these factors are integral to its business operations and corporate responsibility and ultimately tie in to long-term success. As such, the Group is committed to approaching its business in a responsible and sustainable manner, benefitting all of TAM's stakeholders, including its clients, employees, communities, and the environment.

ENVIRONMENT

2025 Highlights

- The Group has expanded its reporting on its Scope 3 emissions, including emissions from trains, taxis, cars, and hotels
- Publication of Tatton Investment Management Limited's inaugural TCFD report

Targets

- The Group will continue to gather data on its Scope 3 emissions in order to increase the level of reporting over time and will seek to reduce its emissions through energy efficiency, responsible procurement, and sustainable workplace initiatives

Read more on pages 43 to 44

SOCIAL

2025 Highlights

- TAM launched a work experience programme providing graduates with invaluable experience in the financial markets
- A Group-wide healthcare insurance plan was launched, open to all employees and their families
- The Group actively supported a range of charities throughout the year, including Providence Row, The Message Trust, Alzheimer's Society and The Entrepreneurship
- TAM established a "mental health first" approach, appointing and training a total of six Mental Health First Aiders, with two situated in each office to provide support and advice to employees

Targets

- To continue the work experience programme throughout the next year, offering additional opportunities to school leavers and graduates to participate, and to encourage the next generation to take up a career in financial services
- The Group will continue to support diversity and inclusion, ensuring that all individuals from all backgrounds are represented throughout the Group
- TAM will introduce neurodiversity training across the business for all employees, to foster understanding and learning for all
- The Group will look to develop or partner with other organisations in an employee volunteering programme, engaging with schools and hosting office visits, offering insights and expertise, to support the next generation with knowledge about the financial services industry

Read more on pages 45 to 49

GOVERNANCE

2025 Highlights

- TAM became a member of the Quoted Companies Alliance ("QCA") and implemented compliance with the new QCA Code in 2024
- All employees participate in cyber-security training on a regular basis
- ACAS training is provided for all line managers to support and develop their managing and leadership skills

Targets

- To deploy further management training opportunities to ensure that all managers continue to develop leadership skills and remain informed on changing principles
- Rollout of anti-corruption training to ensure a stable, safe working environment

Read more on pages 39 to 40

ESG CONTINUED

QCA Framework: Corporate Responsibility Philosophy

TAM believes that it is essential for proper governance to establish a core framework that management, employees, and stakeholders can utilise to ensure that the Group's actions and decision making align with the Group's ESG beliefs.

This year, TAM has become a member of the QCA, supporting the important work that the QCA carries out in championing the UK's community of small and mid-sized publicly traded businesses. The Group ensures that its practices align with the code and, in addition to this responsibility, TAM has embraced the five pillars of the QCA Environmental and Social Guide, which assist the Group in managing and communicating its approach to material and relevant environmental and social matters. A summary of the Group's alignment with the five pillars is shown below.

PILLAR:

A

CORPORATE VALUES

TAM strives to be knowledgeable, to be conscious of risk, and to continually improve. This includes accumulating the right level of skills, knowledge, and experience across the organisation and, in turn, developing a culture that fosters a collaborative approach to continual improvement, with management regularly identifying and reviewing the risks impacting TAM plc. This is underpinned by a personal culture of integrity, transparency, acting without pretence, and being straightforward, adaptable and consistent.

These corporate values support TAM's vision to be the provider of choice for independent financial advisers and their end clients, aiming to expand propositions to meet the needs of advisers and their clients whilst exceeding the expectations of all stakeholders.

The Group's corporate values also ensure that TAM is able to identify and improve its approach to its ESG policies and continually strive to act in such ways as are beneficial to its people and the environment.

B

LEADERSHIP, OVERSIGHT, AND MANAGEMENT

The Board is responsible for the long-term success of the Group, and it is ultimately accountable for the Group's ESG Strategy and for providing the oversight of management decision making. The ESG Committee coordinates ESG priorities and activities and reports them to the Board. Lesley Watt, Non-Executive Director, leads the ESG Committee, with Paul Edwards, the Chief Financial Officer, as the nominated Board member. This ensures that the ESG Committee has sufficient seniority and engagement with the Board.

The Company believes that it has sufficient resources in place to effectively manage Environmental and Social risks and opportunities. There are also rigorous processes in place to ensure that Environmental and Social issues are effectively managed.

C

MATERIALITY

An understanding of the Group's most material ESG topics is essential to inform company strategy, targets and reporting. As part of the Board's ongoing strategy setting and risk management process, it considers all ESG topics, the importance of these to stakeholders, and the impact that these can have on the business.

The Board will carry out a formal materiality assessment of ESG topics during the next financial year, to identify the ESG factors of material importance to the business, understand stakeholder priorities, and assess the factors that have the most impact on the Group. This materiality assessment will then be reviewed regularly to ensure that the Board incorporates these into its decision making process.

D

MEASUREMENT AND COMMUNICATION

TAM considers both quantitative and qualitative data to be crucial in assessing environmental and social issues and how they are managed. By doing so, TAM maintains transparency in its operations and its compliance with ESG standards that it upholds.

In terms of environmental issues, TAM has committed to increasing its Scope 3 reporting (having reported Scope 1 and Scope 2 for the first time last year) and this data is prepared using an operational control approach, where entities over which the Group has 100% operational control are included in the Group's Scope 1 and Scope 2 emission categories. The carbon footprint is calculated following the Greenhouse Gas Protocol Corporate Standard.

E

ACTIONS, OUTCOMES, AND COMMITMENTS

In the 2024 Annual Report, the Group reported a number of targets – for environmental concerns, it targeted increasing the level of reporting of Scope 3 emissions and publishing the inaugural TCFD Report for Tatton Investment Management Limited, whereas for the social concerns, it targeted rolling out further management training to line managers and continuing to encourage employees to understand social responsibility and the role that they can play.

TAM is pleased to report that it has made progress on these targets. Some Scope 3 emissions, including emissions from car, train, and taxi travel, as well as hotel stays, are now reported, and the TCFD Report for Tatton Investment Management Limited is available on its company website.

In the year, TAM delivered management training to senior managers and team leaders and, alongside recurring annual training, provided Responsibility in The Workplace training to all employees.

The Group remains committed to assessing its progress in regard to its ESG initiatives, and TAM strives to outline targets and key priorities that will ensure that TAM remains a leader in ESG within the sector. TAM's targets for the future are outlined in the highlights on page 35 and in the relevant sections.

Q&A

WITH LESLEY WATT, CHAIR OF THE ESG COMMITTEE

Having stepped into the role as Chair of the ESG Committee in March 2024, what were the key priorities for you to implement in the year? What were your key priorities for immediate focus?

I am delighted to step into the role as Chair and would like to thank Chris for his support and guidance throughout the transition. It has been a wonderful opportunity to witness the thought and effort that goes into ensuring that TAM maintains high standards in ESG across its operations. In 2024, my focus remained on fostering a progressive ESG environment at TAM for all employees and stakeholders, driving long-term value and prosperity for the Group. I'm pleased with the continued growth seen across the business in both our financial performance and ESG credentials, and look forward to driving continued improvement across the business moving forward.

Reflecting on the last twelve months, what key moments do you think highlighted the Group's commitment to ESG policies and its long-term sustainability goals?

We have made substantial progress across our ESG targets. At the beginning of this year, we aligned ourselves with the new QCA Code, holding ourselves accountable against recognised guidelines. Elsewhere, we have worked closely with various charities to support a number of important causes, including Alzheimer's Society and Providence Row. We have also established a "mental health first" approach, training a further three Mental Health First Aiders to provide support and advice, which has resulted in now having two First Aiders at each office who are available to staff. Outside of our people, we have progressed our reporting regarding Scope 3 emissions, providing additional transparency on how we impact the environment. There will always be improvements to be made across the business, but I am proud of how much we have achieved over the last year.

How do you ensure that there is transparency and accountability in your ESG practices across the Group?

We believe that transparency is essential to drive proactive and consistent improvement with regard to our ESG initiatives. As such, we have stringent protocols in place to ensure accountability, with effective Board and Committee oversight, along with risk management, aligned with our dedication to corporate responsibility. We continue to actively seek more ways to foster transparency in our reporting, and, in turn, further establish TAM as a sector leader in responsible ESG practices.

With the current shift in ESG investing trends, particularly in regard to the changing political landscape, how do you perceive the evolving global discourse around ESG, and what impact does this have on the Group's strategy and priorities?

We're closely monitoring the changing ESG landscape, especially the pushback in some regions around issues like diversity and inclusion. While views may differ globally, our commitment to ESG is grounded in long-term value creation, risk management, and our core values as a business.

We continue to see diversity and inclusion as a business driver, not as a trend. Diverse teams deliver better decisions and reflect the markets we serve. Our approach is thoughtful, balanced, and aligned with our fiduciary responsibilities.

What are the key priorities for the Group from an ESG perspective as we move into 2025?

As we look forward, there are always more ways in which we can actively seek to drive our ESG strategy, and, in turn, create a better world around us. We have outlined a set of robust targets for the next twelve months that will enable us to go that one step further with our reporting and solidify our position as a leader in ESG strategy and reporting. We are looking to provide further opportunities for management to develop leadership skills that drive efficiency and responsibility.

In addition, we are increasing the Group's level of engagement with its communities by helping future generations through structured programmes and partnerships like our work experience programme and "A Day to Make a Difference".

KPIs

Tatton Asset Management plc is committed to fostering a sustainable, inclusive, and responsible business that prioritises its people, promotes diversity, and minimises its environmental impact. To ensure accountability and continuous improvement, the Group considers and reviews several different data points, but has identified the following ESG KPIs that best represent the Group's priorities:

KPIs	Staff retention	Females in senior roles
DESCRIPTION	Attracting, retaining, and nurturing top talent is fundamental to the Group's long-term success. TAM plc aims to maintain a stable and engaged workforce, tracking staff turnover rates as a measure of employee satisfaction, workplace culture, and career development opportunities. The Group remains committed to offering a supportive work environment, competitive benefits, and professional growth opportunities to reduce turnover and retain high-calibre employees.	TAM is dedicated to gender diversity and equal opportunities at all levels of the organisation. Increasing the representation of females in senior leadership roles is a key priority, with targeted initiatives to support career progression, leadership development, and mentorship. The Group regularly monitors gender diversity at senior levels and remains committed to fostering an inclusive leadership culture that reflects the wider industry and communities it serves.
2025	89%	35%
2024	86%	38%

KPIs	Gender pay gap	Carbon intensity per FTE
DESCRIPTION	This is the mean hourly gender pay gap, reported as a percentage. Ensuring pay equity is essential to maintaining a fair and transparent workplace. TAM plc is committed to monitoring, reporting, and addressing any gender pay disparities within the organisation. The lower mean figure reported in 2024 was influenced by one off circumstances and would have been c.40% if normalised. The 2025 figure is more in line with historical levels. The long-term trend since 2021 reflects a gradual narrowing of the gender pay gap.	The Group seeks to minimise emissions through energy efficiency measures, responsible procurement, and sustainable workplace initiatives. The carbon intensity per FTE has increased in the current year due to an improvement in the level of available data, resulting in additional types of emissions being disclosed. On a like for like basis, using the same categories as emissions as the prior year, the intensity per FTE would have fallen to 0.5tCO_2e per FTE.
2025	41%	1.2
2024	12%	0.6

Other Metrics

AREA	METRIC	MAR-25	MAR-24
Social	Number of employees undertaking qualifications or job-specific training	**26**	26
Social	Number of charity volunteering days carried out	**43**	12
Social	Charitable donations in the year	**£26,000**	£32,000
Social	Gender pay – median hourly pay gap (%)	**40%**	41%
Environmental	Scope 1 & Scope 2 emissions (tCO_2e)	**25.0**	19.5
Environmental	Scope 1, 2, and 3 emissions (tCO_2e)	**130.9**	56.1
Environmental	Electricity consumption from renewable sources (%)	**80%**	40%
Ethical investing	AUM in ethical portfolios	**£1,465m**	£1,302m
Ethical investing	Number of client accounts in ethical portfolios	**15,160**	13,250
Ethical investing	Net flows into ethical portfolios	**£254m**	£135m
Ethical investing	Ethical portfolios AUM as a % of overall AUM	**7.0%**	7.9%

ESG CONTINUED

ESG: Governance

Lesley Watt
Independent Non-Executive Director

Paul Edwards
Chief Financial Officer

Justine Randall
Chief Commercial Officer, Tatton

Claire MacNeill
Secretary to the Board

Louise Coleman
Head of Finance

Richard Goppy
Director of Membership, Paradigm

TAM plc Board

The Board is responsible for the long-term success of the Group; it is ultimately accountable for overseeing the Group's ESG strategy and reporting its progress against stated goals

Audit and Risk Committee

Responsible for ensuring the integrity of the Group's ESG-related financial reporting and disclosures of ESG-related risks

Remuneration Committee

Responsible for the oversight of remuneration against performance metrics and targets, designed to support the Company's ESG strategy and promote long-term success

Nomination Committee

Responsible for ensuring that the structure, size, and composition of the Board and Board Committees are set up to successfully progress the ESG strategy

Divisional and Operating Company Boards

Responsible for the management and implementation of ESG activities to meet overarching strategy targets

ESG Committee

Responsible for driving forward ESG targets that are approved by the Board. These ESG priorities form part of the Group's strategy for creating value for all TAM's key stakeholders

Key Responsibilities

Lesley Watt – appointed as Chair of the ESG Committee, taking over from Chris Poil in March 2024

Paul Edwards – nominated Board member responsible for gender diversity inclusion

Justine Randall – Women in Finance Ambassador

Ethical Investment Committee

The Ethical Investment Committee plays a critical role in guiding and overseeing Tatton Investment Management Limited's ethical investment strategies and decisions. Its key priority is to evaluate various investment opportunities through an ethically robust lens through a negative screening process.

The Committee conducts rigorous due diligence, engages with stakeholders, and assesses the long-term viability and ethical implications of potential investments. It also works collaboratively with asset managers, advocating for enhancements to investment processes for stronger integration of ethical considerations.

More information on the ethical investing process is provided on pages 41 and 42.

Overview

The Group's business conduct, strategy development, and compliance with ESG pillars and values are monitored by the TAM Board, and they provide oversight into the implementation of their principles into the Group's culture. The ESG Committee coordinates the Group's priorities and activities, reporting to the Board regarding recommendations and progress.

Governance

TAM plc understands the importance of good governance, and strives to apply best practices in its operations. In this regard, the Company has implemented the principles of the Quoted Companies Alliance Corporate Governance Code 2023 (the "QCA Code"). The QCA Code is designed around ten fundamental principles, each accompanied by an explanation of what it means and a set of disclosure requirements. These principles provide a robust framework for ensuring that the Company is run effectively, transparently, and in the best interests of its stakeholders. This year, the Group has become a member of the QCA and has guaranteed that its practices align with the five pillars of the QCA Environmental and Social Guide. TAM's compliance with these principles and the relevant disclosure requirements can be found on page 36.

Regulation and Financial Crime

The Company is committed to maintaining the highest standards of compliance with all relevant legal and regulatory requirements. The Group recognises the importance of ethical behaviour and integrity in maintaining its reputation and the trust of its clients and stakeholders. To this end, the Company operates comprehensive anti-bribery policies that extend across the Group and are designed to ensure that its operations are free from bribery and corruption. Tatton Asset Management plc also has a whistleblowing policy in place that encourages employees to report any matters of significant concern to the Chair of the Audit and Risk Committee.

These policies are regularly reviewed and updated, and all staff are required to complete mandatory training to ensure that they understand their obligations and responsibilities. The compliance team and other committees have policies in place to prevent and detect financial crime, including money laundering, bribery, and corruption, and to meet any obligations arising from regulatory change. The Company is committed to ensuring that its operations are conducted in a responsible and ethical manner, and that it meets its obligations to all stakeholders, clients, and regulatory bodies.

Tax Strategy

The Group's tax strategy is founded on a commitment to full compliance with all relevant tax legislation and regulations, along with high standards of governance and transparency. TAM's approach is based on a low appetite for tax risk and it does not engage in aggressive tax planning or condone abusive tax practices that would be inconsistent with its ethics and culture. The Group pays all tax liabilities promptly and believes in maintaining a professional working relationship with HMRC and other tax authorities, one that is built on transparency and open communication.

Cyber and Data Security

TAM places a high priority on information security, including cyber security and data protection, to safeguard against external dangers and insider threats. The Company's cyber security strategy is centred around the identification, protection, detection, analysis of, and response to, known or emerging cyber threats, as well as effective risk management and resilience in the event of cyber incidents.

The Group's cyber security programme is built around the National Institute of Standards and Technology ("NIST") cyber security framework and includes ongoing training for all employees to help them recognise and respond to information and cyber security risks, as well as the initiation of procedures to prevent, identify, and escalate cyber security concerns. This is facilitated through short, easily digestible video training and tests to deal with topical issues.

Political Donations

The Group has a policy of not making political donations but makes allowances and resolutions at its AGM for political donations of up to £5,000 in aggregate.

ESG CONTINUED

Ethical INVESTING

AUM in ethical portfolios:

£1,465m
(2024: £1,302m)

Number of client accounts in ethical portfolios:

15,160
(2024: 13,250)

Net flows into ethical portfolios:

£254m
(2024: £135m)

Ethical portfolios AUM as a percentage of overall AUM:

7.0%
(2024: 7.9%)

Challenging companies to identify and manage environmental, social, and governance risks and opportunities to shape their long-term future direction

Tatton's Approach to ESG Investing

Tatton is a business built on the foundation of a close relationship with, and a deep understanding of, adviser needs, and we were already innovators in the world of ESG investing when we launched our first Tatton Ethical portfolio in 2014. The decision to expand our service into ethical investing was in response to a growing opportunity and increased demand for solutions in the space and, in the eleven years since, the world of ESG investing has expanded in an unprecedented manner.

The landscape is now densely populated with a broad range of ethically themed funds, discretionary offerings, and sustainably themed solutions. Tatton is able to differentiate in this space through our decade of relevant experience in running our Ethical portfolios and our track record of past performance. Our ongoing adviser feedback reiterates the importance of our transparent approach to fund selection, competitive pricing, and risk-profiled alignment. We believe that it is this combination of approaches that has led to our continued growth in ethical assets under management, now at £1.5bn of clients' assets.

As a thought leader in ethical and values-based investing, we recognise the challenges that the sector now faces and remain committed to our mantra to listen to adviser feedback as to what clients want and need to see in their ethical solutions. Our ethical fund selection complements the consistency in approach found across Tatton's full range – the application of our proprietary research and due diligence, combined with screening based on robust processes and investment performance.

ESG CONTINUED

Tatton has welcomed the increased availability of data and industry comparison tools to support our research, screening, and comparison of offerings in the ethical investing space – we recognise the importance of attention to detail and we concentrate on a combination of quantitative and qualitative factors in completing our research and our ongoing due diligence for the ethical offering.

The dedicated Tatton Ethical Investment Committee regularly meets to review the portfolio construction and to consider the mix of investments, in line with our engagement-led approach. With the continued adoption of various external sources, such as Morningstar Direct, Sustainalytics, and ClarityAI, the Group has ensured that this continues to align with Tatton's own manager selection process and ongoing monitoring and comparisons. The combination of research and the data gathered supports our investment decisions and enables our team to develop a thorough understanding of the culture, motivation, and long-term goals of the firms and teams that we choose to invest in, so we can make decisions with conviction and continue to review our offering on an ongoing basis.

Our ongoing engagement with clients remains a cornerstone of Tatton's commitment to evolving and enhancing our ethical investment offering. Recent valuable feedback has played a crucial role in this continuous evolution, directly informing a significant strengthening of our negative screening process. As a result, we have implemented absolute red-lines for investments in arms, pornography, and tobacco within our Tatton Ethical portfolios. While we actively adapt to evolving client values, this enhancement remains consistent with the core tenets of the Tatton Ethical portfolios' investment philosophy, reinforcing a stable and consistent, yet adaptable investment approach.

Ongoing Monitoring

Our regular assessment of underlying fund holdings aims to ensure continuous alignment with our negative screening criteria, a process that typically results in portfolios with strong positive environmental, social, and governance characteristics. This assessment has the target outcome of significantly reducing, if not eliminating, holdings that contravene our screening framework. This process involves the investigation and analysis of portfolio exposure at both the industry and individual security levels.

In addition, as part of our fund research process, we look for funds that use third party providers to screen their funds (usually implemented by a risk and oversight function). If we see changes in overall exposures, or see securities that we may want to investigate, then we have direct contact with the fund managers to receive explanations and data on the rationale for any positions. Any further decisions are then made based on this more substantial mix of data.

Leveraging our capability, scale, and thought leadership within the investment management industry, we actively engage with asset managers regarding the development of new product launches and the shaping of existing investment solutions. Through this collaborative approach, which aligns directly with Tatton's core values and investment philosophy, we advocate for enhancements to investment processes for stronger integration of ethical considerations and better alignment with evolving client values and responsible investing principles.

Complementing our external engagement, to ensure that our expertise remains current with the dynamic evolution of ethical and ESG investing, which includes a focus on climate change, several employees spanning investment and non-investment functions have actively pursued professional examinations and development programs in this space. This proactive approach to professional development underscores our commitment to providing informed insights and solutions in the evolving landscape of ESG investment practices.

NEGATIVE SCREENING

Using data to limit exposure to the following products or services:

Red-line screens

- Armaments
- Pornography
- Tobacco

Other negative screens

- Alcohol
- Animal testing (for cosmetic purposes)
- Fossil fuels
- Gambling

POSITIVE OUTCOMES

The process results in the ethical portfolios having a bias towards positive outcomes, such as those below:

- Water and sanitation management
- Lower carbon fuel use and natural resource conservation
- Responsible packaging and recycling
- Respect for the supply chain, working conditions, and human rights
- Diversity and equality in staff, strong business ethics, and a high regard for employee health, safety, and wellbeing

ESG: Environmental STEWARDSHIP

TAM is, at its centre, a responsible financial services business and, as such, the Group constantly reviews and implements proactive actions to improve the sustainability of its practices. TAM remains committed to creating long-term, sustainable value for its stakeholders, whilst also ensuring responsible environmental stewardship across the business and all of its operations. Ultimately, the goal is for TAM not only to minimise its environmental footprint but also, where possible, to leave behind a legacy of a positive environmental impact on the planet.

Carbon Emissions

TAM remains committed to reducing its carbon emissions across all aspects of its business. Last year, the Group reported on its Scope 1 and 2 emissions for the first time, alongside emissions from fuel used in personal cars for business purposes (Scope 3). This year the Group has increased the level of reporting of Scope 3 emissions to include emissions from business mileage, travel for business purposes using trains, taxis, and flights, as well as emissions from overnight stays in hotels. Last year, TAM voluntarily provided the information required for reporting under Streamlined Energy and Carbon Reporting legislation, in order to create transparency and accountability in its reporting. It is now a mandatory requirement for the Group to report against this legislation and the Group's energy consumption and GHG emissions have been provided in the table on this page.

Tatton Investment Management Limited continues to report within the TCFD framework, disclosing carbon emissions and other relevant metrics around its model portfolios and funds.

TAM's main environmental impacts are largely as a result of UK-based travel and the emissions and consumption of resources at its business premises. The Group holds virtual meetings where appropriate, reducing travel if it is not required. The Group has three offices, and one of these is on a renewable energy plan for its electricity. Renewable energy is becoming more locally available and cost-effective, and the Group will continue to work with its landlords, the other tenants in shared buildings, and utility suppliers to move towards more renewable fuel energy plans. Currently, electricity consumption from renewable sources represents 80% of TAM plc's total electricity use, a substantial increase from last year at 40%.

The Group's communication primarily occurs internally, with external communications taking place through digital channels wherever possible. The Group also continues to invest in ways to utilise technology to further reduce paper waste, including through continued investment in and development of the Tatton Portal, which enables IFAs to access the Group's investment literature and view their customers' portfolios online, reducing reliance on paper-based brochures and other documents.

With a relatively small number of employees in three UK offices, the Group has reduced UK travel for work by the use of video conferencing and the continued implementation of hybrid working, thereby reducing the need for UK-based travel. The Group will continue to focus on these areas as it addresses both energy security issues that have come to the fore, particularly over recent years, and also those issues related to the risks of climate change and the Group's transition to net zero. TAM's carbon footprint was calculated using an operational control approach, where entities over which the Group has 100% operational control are included in the Group's Scope 1 and Scope 2 emission categories. To calculate TAM's carbon footprint, the Group followed the Greenhouse Gas Protocol Corporate Standard. TAM's Scope 1 primary carbon impact occurs due to the use of gas at one of the Group's premises. TAM's Scope 2 emissions are related to energy purchases of electricity at each of the Group's three office locations and for the purposes of transport. The emissions from fuel used in personal cars used for business use, and from travel on trains, taxis, and aeroplanes, as well as overnight stays in hotels, have been disclosed as Scope 3 emissions. In the prior year, Scope 3 emissions included only emissions from fuel used in employees' own cars used for the purposes of business, therefore the reported emissions have increased reflecting data improvements rather than as a result of an increase in the level of emissions. On a like for like basis, the same type of emissions as reported in the previous year have actually fallen from 36.6tCo_2e to 34.8tCo_2e.

Methodology for Calculations

Energy consumption for Scope 1 and Scope 2 gas and electricity use in kilowatt-hours has been taken from supplier invoices where possible, with estimates being used where energy usage has been allocated to a shared building, based on floor area (6% of the total). Where possible, this has been multiplied by the kgCo_2e/kWh conversion factors provided by our suppliers, but where this is not available, the UK Government GHG Conversion Factors for Company Reporting ("GHG Conversion Factors") have been used. The mileage of employees using their own cars for business use is recorded in the Group's expenses system and this is converted into kWh and tCo_2e using an average car size GHG Conversion Factor. Other Scope 3 emissions disclosed in the current financial year include emissions from home working, rail travel, air travel, hotel stays and freight. Actual distance data has been used where possible and converted into emissions using the GHG Conversion Factors. The most relevant intensity ratio for TAM and its sector is considered to be intensity per full time equivalent employee ("FTE"). The average number of FTEs in the year is 111.

SOURCES OF ENERGY AND EMISSIONS	**GHG EMISSIONS (TCO_2E) MAR-25**	GHG EMISSIONS (TCO_2E) MAR-24
Measured Scope 1 emissions	**3.5**	2.5
Measured Scope 2 emissions	**21.5**	17.0
Total Scope 1 and Scope 2 emissions	**25.0**	19.5
Scope 3 emissions	**105.8**	36.6
Total Scopes 1, 2, and 3 emissions	**130.9**	56.1
Intensity per FTE	**1.2**	0.6
Energy consumption in the UK (kWh)	**218,880**	220,228

Resource Conservation

The Group reduces its environmental impact by conserving resources and minimising waste across all of its operations. TAM has a recycling programme for its confidential waste, which ensures that 100% of it is properly recycled. Additionally, the Group continues to invest in IT equipment that is more energy-efficient and ensures that any redundant IT equipment is properly destroyed and recycled for both data protection and environmental reasons.

The Group will continue to develop and increase the level of reporting, incorporating additional Scope 3 emissions into its report. Actions to drive progress within operations across the Group's carbon emissions are:

- increase the level of energy consumption from renewable sources as a proportion of the Group's total electricity use;
- engage with TAM's landlords and utility suppliers to transition to more renewable energy sources; and
- increase the level of data captured around Scope 3 emissions, to be able to increase the level of reporting going forward.

Task Force on Climate-Related Financial Disclosures Summary

The Task Force on Climate-related Financial Disclosures ("TCFD") was formed with the objective of improving the transparency of climate-related risks and opportunities within financial markets and outlines eleven recommendations for organisations to include in their climate reporting. The TCFD was formally disbanded in late 2023, following the completion of its 2023 status report, and Tatton Investment Management Limited continues to follow the recommendations of the TCFD in its climate reporting.

As a Group, while it does report under TCFD, TAM continues to build the TCFD principles into its processes and is continually working to improve the transparency of its reporting regarding how climate change will impact the Group's business, including additional disclosures around carbon emissions as given on the previous page of this report. The Board monitors climate-related risks and opportunities as part of its risk management processes; see pages 26 to 31 for the Group's principal risks, which include the relevant climate-related risks. The TAM Board recognises the importance of not only reporting the impact of climate change on the Group's business, but also of working towards the UK Government's initiative in driving net zero emissions by 2050 through TAM's own operations, investment process, and supply chain.

In 2023, Tatton Investment Management Limited ("TIML") fell into the scope of the FCA's requirements for asset managers to make climate-related disclosures that were consistent with the recommendations of the TCFD. In 2024, TIML prepared its first entity report, with disclosures made in line with the eleven recommendations set out by the TCFD and outlining those of the Company's activities that fall within Scopes 1, 2, and 3. The Company also sets out how it identifies, assesses, and manages climate-related risks, and how this forms part of its governance framework. The 2024 calendar year entity report is available to view on the Tatton Investment Management website.

ESG CONTINUED

ESG: Social RESPONSIBILITY

People and Culture

Tatton Asset Management plc recognises that its people are its greatest asset in terms of delivering the Group's strategy and providing exceptional service and support to IFAs. Success depends on attracting and retaining top talent while fostering an environment where everyone feels valued, supported, and empowered to reach their full potential.

TAM takes pride in its diverse workforce and remains committed to cultivating an inclusive culture where all employees feel respected and able to bring their whole selves to work. By encouraging diversity of thought and perspective, the Group believes it can make better decisions and drive stronger outcomes for all stakeholders. Recognising the importance of work-life balance, TAM also offers flexible working arrangements to help employees manage both their professional and personal commitments.

With a team of just over 110 employees, the Group maintains close communication between employees and Directors, both informally, throughout the year, and at annual conferences and general meetings. Additionally, robust grievance, harassment, and whistleblowing policies are in place to ensure that employees can raise concerns safely and confidentially. Employees are encouraged to report significant matters to their line manager, the Compliance Manager, the Board, or the Chair of the Audit and Risk Committee.

Staff Survey

The Group conducts a staff survey every other year; the next survey will be conducted throughout the next financial year. and TAM looks forward to reporting the results to its stakeholders. The Group is pleased that engagement rates have remained high over the last four years, and it expects to report informative and representative results again in 2026. The Board believes that the survey is effective and is a useful way for staff to pass on feedback to its decision makers in the Group. The Board, supported by the ESG Committee, has addressed the feedback from the previous staff survey, including rolling out additional training opportunities for employees and introducing a Group-wide health insurance plan.

Training

TAM is committed to nurturing talent and supporting employees in their professional development. The Group encourages career progression by offering a range of development opportunities, including internal training, apprenticeship schemes, and professional qualifications. The Group prioritises employee training and development by providing both financial support and dedicated time to help individuals achieve their goals. This includes meeting the Continuing Professional Development ("CPD") requirements set by the regulators, ensuring that investment managers maintain the technical expertise and supervision skills necessary to uphold the highest standards of client service.

Over the last year, 26 employees across the Group have either achieved, or are working towards, professional qualifications, including the Chartered Financial Analyst ("CFA") and Association of Chartered Certified Accountants ("ACCA") qualifications. TAM continuously evaluates training needs to provide the most effective support for employees. In the year ahead, the Group will further extend management training for senior managers and team leaders, alongside the rolling out of Responsibility in the Workplace training for all employees, in addition to its annual training programmes. The Group will continue to monitor areas where additional training may be required, for example, upskilling in areas such as AI, or where there is new regulation in the pipeline that affects employees in their work.

Looking ahead to 2025, the Group will roll out neurodiversity training to raise awareness and foster a greater understanding of the different ways that people think and process information. This initiative aims to further strengthen TAM's inclusive culture and provide tailored support for employees with ADHD, autism, dyslexia, dyspraxia, and other neurodiverse conditions.

Beyond training and development, TAM encourages its employees to take a long-term view of the business. The Group offers share-based incentives, including a long-term share option scheme for eligible employees and a SAYE scheme that is open to all employees. These initiatives foster a culture of ownership, strengthening the employees' sense of pride, engagement, and commitment to the Group's ongoing success.

Mental Health and Wellbeing

The wellbeing of the TAM team remains a top priority for the Group, which provides a comprehensive range of health benefits for employees and their families. These services include remote GP access, a 24/7 helpline for emotional and practical support, guidance on financial and legal matters, unlimited mental health counselling, physiotherapy, medical second opinions, and one-on-one lifestyle coaching. TAM believes that these resources significantly enhance the wellbeing of its employees and their families and remains committed to providing ongoing support for both physical and mental health.

In the year, the Group introduced an enhanced health insurance policy for all employees and their families. Additionally, three new Mental Health First Aiders ("MHFAs") were appointed, bringing the total to six across the Group, with two in each of the Group's offices. These trained individuals serve as key points of contact, offering support to employees and line managers in terms of recognising and addressing potential mental health concerns. All certified MHFAs have attended an intense two-day course that helps develop the skills to spot the signs of a person experiencing poor mental health, alongside the confidence to start a conversation and offer assistance when required. We encourage MHFAs to attend various webinars and courses that can help expand their knowledge about mental health.

TAM also has a menopause team, which offers support to the Group's employees through half-yearly catch-ups and support groups, providing informative materials and increasing understanding and education across the Group. In conjunction with the internal support that is on offer, Paradigm have now also launched a new Health and Wellbeing hub for its member firms. This is designed to provide practical support, located on its website, containing valuable resources that will help both member firms and their colleagues.

TAM also continues to embrace a hybrid working model, allowing employees to balance remote and office-based work in a way that supports both business needs and individual preferences.

Suppliers

TAM plc is committed to combatting modern slavery and maintains a strict zero-tolerance approach to slavery and human trafficking across its operations and supply chain. The Group has published its Modern Slavery Statement, which is available on its website.

As a UK-based financial services provider, TAM does not engage in the production, manufacturing, or sale of physical goods, and its supply chain remains neither complex nor extensive. However, the Group remains vigilant in ensuring ethical practices throughout its business operations.

The Group's suppliers primarily consist of support service providers, including information technology, market data, and property services. Given the nature of these suppliers, the Company considers the risk of modern slavery or human trafficking within its supply chain to be low. However, TAM remains fully committed to preventing such practices in all aspects of its business and supply chain, and, to uphold this commitment, the Group has implemented robust policies and procedures to identify and mitigate any potential risks. These measures are regularly reviewed and updated to ensure continued compliance.

For 2025, the Group's focus will be to roll out anti-corruption training to its team members, to further protect its business and supply chain.

Charitable Giving and Engagement with the Wider Community

Giving back to the community remains important to TAM, and, over the last year, the Group has contributed £26,000 to charitable causes within the financial year ending March 2025 (2024: £32,000). These beneficiary organisations include Providence Row, The Message Trust, Alzheimer's Society, The Entrepreneurship, and Destination Florida.

Supporting charitable causes remains important to TAM's employees; therefore, in addition to a financial donation, these organisations have also received fundraising support from TAM's regional offices, including teams organising events such as sponsored bike rides, walks, marathons, and bake sales. The Board is proud of the enthusiasm and dedication that the team has shown for supporting their chosen charities and remain committed to repeating the initiative for years to come.

The Group also encourages its employees to spend time in its local communities and focus on helping future generations through structured programmes and partnerships like the work experience programme. In addition, staff are given dedicated time for voluntary activities. All staff are encouraged to take part in "A Day to Make a Difference", where they use paid time off work to engage in a local volunteering day. Employees across the Group completed 43 volunteering days in the year.

The work experience programme provides graduates with invaluable experience in the financial markets, through spending time in TAM's London office and hearing from a wide variety of team members about the work they do, such as receiving an overview of the MPS market and TAM's position within it, the investment process and outlook, and fund manager selection and risk analysis.

The Group has reaffirmed its matched fundraising programme, recognising the efforts that TAM employees make in supporting their local communities and other charities. The Board would like to take this opportunity to note its gratitude and pride in employees who have helped to raise funds for their given charities and the Group is delighted to match their fundraising and support the positive impact that these charities are making.

Staff Retention

Tatton Asset Management plc is committed to supporting its team and ensuring that the Group remains a great place to work. In the prior year's staff survey, the Group was pleased to receive positive feedback, with 90% of employees stating that they would recommend TAM as a great place to work. The results of the 2025 survey will be shared with stakeholders in due course.

TAM values the feedback received from its employees and remains dedicated to providing opportunities for training and development, supporting health and wellbeing, and encouraging community and charitable engagement. In 2024, the Group introduced several new initiatives, including health insurance for all employees and their families, as well as the addition of three new Mental Health First Aiders.

Attracting, nurturing, and retaining exceptional talent remains a priority for TAM. The Group's commitment to creating a supportive and engaging work environment is reflected in its high staff retention rate of 89% (2024: 86%), reinforcing TAM as an employer with a culture where individuals feel valued and empowered to succeed.

"Volunteers and supporters like TAM have a huge impact on what we do at The Message. Their financial support through fundraising and donations goes a long way in helping us reach those on the margins of society. Through our Community Grocery, which bridges the gap between food banks and supermarkets, we're able to provide affordable food, wraparound support, and dignity to families in need – and that wouldn't be possible without help from partners like them." **The Message Trust**

The Gill Aukett Award

This year, the Group was proud to introduce the Gill Aukett Award, created in memory of and to honour the legacy of a much-missed colleague, Gill Aukett. This award celebrates the values that Gill embodied – resilience, pragmatism, and endurance – and recognises those who make an outstanding contribution to our business and its people.

Following an inspiring set of nominations from across the Group, our Committee carefully reviewed each submission before selecting a truly deserving first winner: Claire MacNeill. Claire, who has been with TAM since day one, is the backbone of the team. Her dedication, knowledge, and unwavering commitment reflect the very essence of what this award represents.

Diversity and Inclusion

TAM is dedicated to fostering a diverse and inclusive culture across the Group. It supports its employees, customers, and suppliers without prejudice, and recognises the value that diversity brings to the business. A workforce with a wide range of perspectives and experiences enhances the Group's ability to deliver innovative solutions to its clients. To attract, develop, and retain diverse talent, TAM is committed to cultivating a workplace that is inclusive, welcoming, and respectful of all individuals. TAM's commitment to diversity and inclusion is illustrated by the Group's progress against set targets and its ongoing initiatives. It acknowledges that there is always more to be done and TAM must continuously strive to improve.

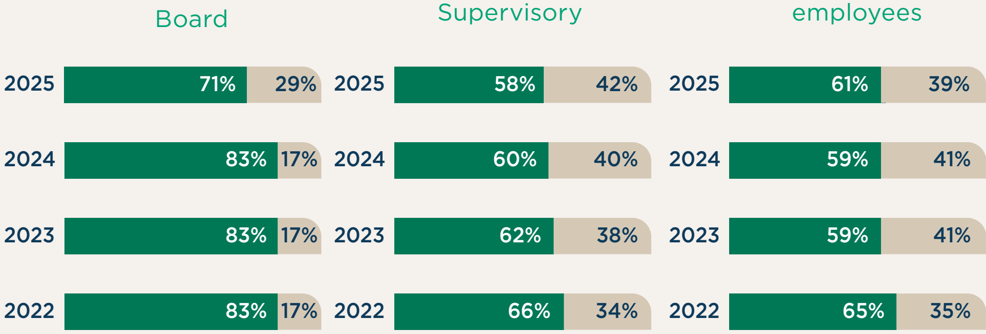
In 2023, TAM established a partnership with DWF LLP to formalise a framework for ESG responsibility training. This project has progressed well and has been deployed by the Board across the Group, with the initial goal of improving awareness and accountability in environmental imperatives, the social agenda, and ethical governance.

In addition to its internally focused inclusion and diversity improvement strategies, TAM proactively promotes efforts to highlight diversity and inclusion initiatives in the financial services sector as a whole. Paradigm is a member of The Diversity & Inclusivity Finance Forum; through this work, the Group works with industry peers to foster a more balanced and equitable mortgage industry. By working with other organisations, TAM aims to build a financial services sector that better represents and serves its communities.

OUR PEOPLE AT A GLANCE

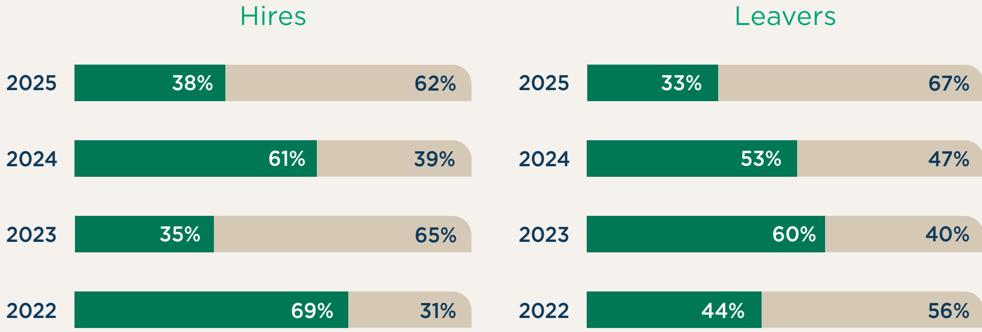
TAM remains steadfast in its mission to create a more inclusive and equitable industry, ensuring that diversity is not just a principle but a fundamental part of the Group's identity.

Gender breakdown



- Male
- Female

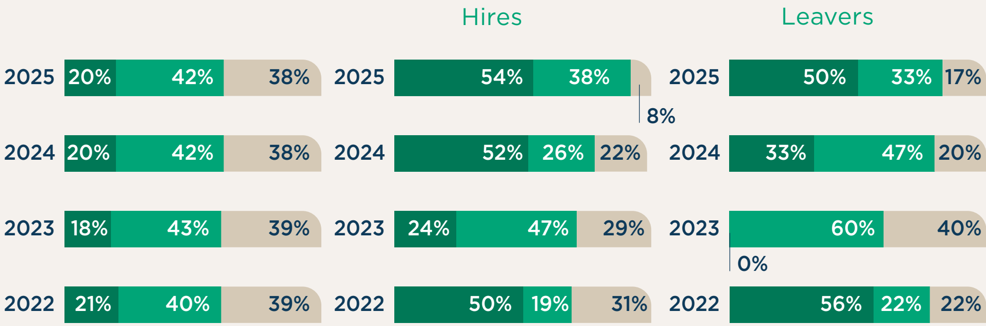
Hires and Leavers by Gender



- Male
- Female

Employees by age

Hires and leavers by age



- <31
- 31-50
- >50

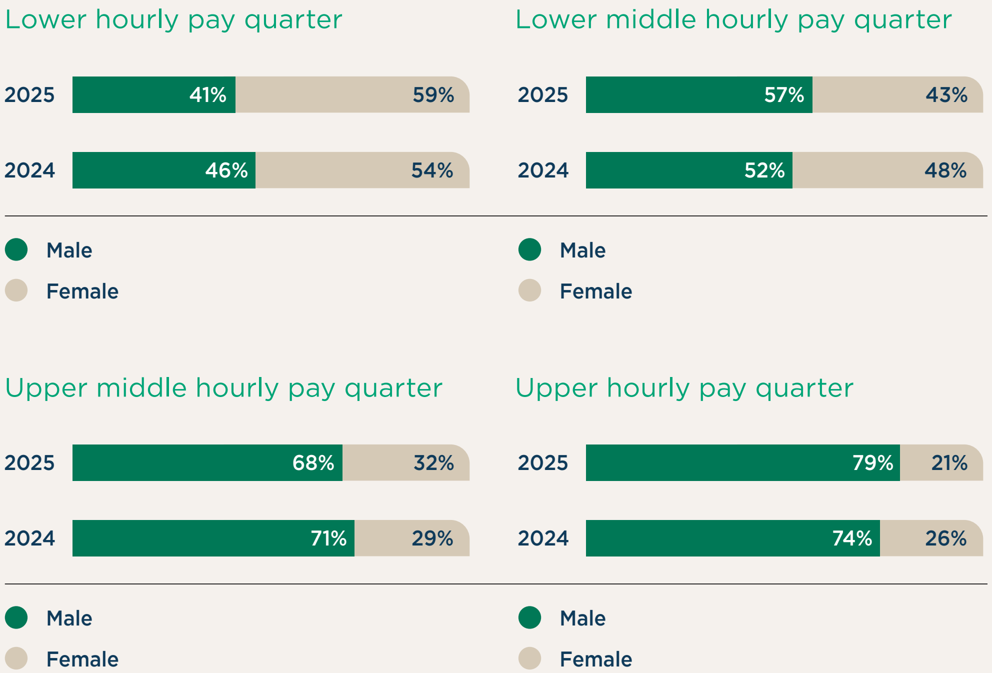
Gender Pay Gap

The financial services sector has historically had the largest gap in the gender pay scale, and TAM recognises the part it can play to change this. Currently, the Group's statistics reflect this trend; however, they continue to improve. As of March 2025, TAM has a total of 113 permanent employees, with 44 women making up 39% of the team (2024: 38%).

Due to its size, TAM is not required to publish its gender pay gap report; however, an analysis of the report has been conducted and reviewed by the Board and the Remuneration Committee. Fostering an inclusive company culture with high levels of diversity remains a priority for the Board, who formally monitor the Group's progress through ongoing reviews of the Group's gender pay gap reporting, which delivers transparency and areas for improvement across the Group.

In all cases where there are both men and women performing an identical role, they are paid equally. The mean hourly pay gap in 2025 has risen to 41% (2024: 12%), and the median hourly pay gap is slightly lower than the prior year at 40% (2024: 41%). The lower mean figure reported in 2024 was influenced by one off circumstances and would have been c.40% if normalised. The 2025 figure is more in line with historical levels. The long-term trend since 2021 reflects a gradual narrowing of the gender pay gap. The gender pay gap is primarily driven by the current composition of the TAM team, where a relatively small number of employees in senior roles can significantly affect overall

TAM Gender Pay Gap by Hourly Pay Quarter



figures. As of 2025, 35% of senior roles are held by women (2024: 38%). TAM and the Board remains committed to addressing any improvement areas that can accelerate the narrowing of the gender pay gap.

Women in Finance Charter

TAM remains committed to recognising talent and gender diversity and has, for another year, continued its support of the Women in Finance Charter, promoting various initiatives across the Group.

Paul Edwards is the Executive Director responsible for Women in Finance, supported by Justine Randall, who is TAM's Women in Finance Ambassador.

The Charter now has c.450 signatories from financial services companies across the UK. These businesses have created an inclusive culture, promoting events and engagement opportunities, sharing best practice, and developing initiatives so that all signatories can work together to drive improvements in gender balance at all levels across the financial services sector.

Over the past year, TAM has continued to attend events, receiving insightful and forward-thinking advice and opinions from industry-recognised advocates of the Women in Finance Charter, suggesting changes that will be implemented across the Group.

Over the last three years, the level of the percentage of females in senior roles (including both TAM's Group Board and senior management team members) has remained fairly consistent. "Senior management" are defined as those employees who are responsible for a function, making independent management decisions, and who would typically have line management responsibility. TAM has set the target of maintaining the level of women in senior roles at 30–35%, and reports that 35% of its senior management roles are held by women in March 2025.

Diversity and inclusion remains a key focus for the senior management team across the Group and is part of its objective-setting process. The Group remains committed to making progress, demonstrating its support for this objective, and looks forward to reporting on its progress to its stakeholders on an annual basis. This information will be available on the Company website at www.tattonassetmanagement.com.

Females in senior roles

35%

(2024: 38%)

STAKEHOLDER ENGAGEMENT

ALL ALONG on the JOURNEY

At TAM plc, we view robust stakeholder engagement as a cornerstone of our commitment to delivering sustainable, long-term value. Our dedication to building and maintaining strong relationships with all stakeholders drives our strategic priorities and operational decisions.

We approach stakeholder engagement as an ongoing, collaborative process that spans every level of our organisation. By fostering open dialogue and actively listening to diverse perspectives, we ensure alignment with the needs and expectations of those we serve. To strengthen these connections, we prioritise transparent communication, regular reporting, and the proactive escalation of key matters to our Board of Directors when appropriate. Management regularly update the Board on stakeholder engagement through detailed internal reports, featuring key metrics like financial performance data, key operational metrics, and renewable energy utilisation, enabling us to effectively monitor and evaluate our stakeholder relationships.

Firms and Clients

Our business model revolves around IFAs and their clients, with our success hinging on a deep understanding of their changing needs. We thrive by not only grasping their current requirements but also anticipating future demands, ensuring that our offerings remain competitive, relevant, and positioned for growth. Significant concerns raised by firms or their clients are escalated to the Board for resolution, as needed.

Their material issues

- Ease of onboarding
- Fair pricing and transparency
- Quality of service
- Performance of our funds and portfolios
- Range of products
- Access to their choice of platform
- The Group's financial strength

How we engage

- Host in-person roadshows and partner forums for market updates, product developments, and CPD events
- Conduct virtual and in-person meetings with firms to understand evolving client goals

Outcomes and key decisions

- Launched a new range of Tatton passive funds in May 2024 based on adviser feedback
- Engaged new firms, driving growth across Tatton and Paradigm Mortgages/Consulting firms
- Tailor future events for relevance based on feedback
- Provided additional video and written content to support advisers amid market volatility
- The acquisition of Fintegrate has strengthened our proposition, enabling IFAs to better manage their businesses
- Appointed a dedicated business development director for Scotland and Northern Ireland to support relationships with IFAs in these regions

1,110
Tatton firms

1,915
Mortgage members

Shareholders

The Group's strategic goals and business expansion rely on the active support and involvement of our shareholders. Our approach is designed to drive growth across all KPIs, creating value for our shareholders. The composition of our shareholder base aligns closely with the long-term vision guiding our business management.

Their material issues

- Sustainable returns via a progressive dividend policy
- Strong governance, including diversity and remuneration measures
- Attractive business model and growth potential

How we engage

- Year-round investor meetings
- Post-results Board sessions (both virtual and in-person) are held with institutional shareholders and analysts to share performance, strategy and updates
- We provide the latest company announcements, financial reports and additional investor information on our website
- Quick responses are given to shareholder queries and concerns
- The AGM also provides a forum in which all shareholders are invited to engage with the Board

Outcomes and key decisions

- The Group delivered against its dividend policy, with a total full year dividend of 19.0p, an increase of 18.8% (2024: 16.0p) with a final dividend of 9.5p (2024: 8.0p)
- Continuous investor dialogue is maintained to keep shareholders informed on strategy

19.0p
Full year dividend

STAKEHOLDER ENGAGEMENT CONTINUED

People

Our workforce is vital to realising the Group's strategy. We understand that retaining and recruiting top talent, while fostering an inclusive and supportive workplace, is key to our success.

Their material issues

- Fair compensation for their efforts
- Access to learning, growth, and development opportunities
- Making a difference for our customers

How we engage

- Share company-wide updates via newsletters and emails
- Conduct employee surveys, with findings shared with ESG Committee and Board
- Host staff days to celebrate and reward performance
- Deliver Board presentations on business results and strategy
- Provide consistent management briefings

Outcomes and key decisions

- Expanded professional qualifications and training (e.g. leadership courses) based on survey feedback, with plans for further enhancements
- Extended EMI and Sharesave schemes, valued by employees
- Launched Work Experience Programme for graduates in financial markets
- Introduced Group-wide healthcare insurance for employees and families
- Established mental health first approach with six Mental Health First Aiders
- Planned management training for Senior Managers and Responsibility in the Workplace training for all

More information is provided in our ESG Report on pages 35 to 49

89%

Staff retention

Society

We recognise our duty to society and our stakeholders, firmly believing that maintaining exemplary corporate responsibility standards is essential. The ESG Committee evaluates these priorities and escalates significant matters to the Board to guide decision making.

Their material issues

- Society expects the responsible management of client assets and diligent stewardship of investments
- Operating sustainably and supporting societal wellbeing benefits the broader community

How we engage

- All employees are encouraged to join local volunteering days for community initiatives
- Each office selects a charity for Group-supported fundraising
- Management collaborates with utility providers to adopt renewable energy
- ESG portfolio managers work with fund managers to align on ESG priorities

Outcomes and key decisions

- Donated £26,000 to charitable causes this financial year
- Enhanced adoption of corporate governance guidelines
- Achieved growth in Ethical portfolios
- Expanded Scope 3 emissions reporting to include business mileage, travel (trains, taxis, flights), and hotel stays
- Supported charities including Providence Row, The Message Trust, Alzheimer's Society, and The Entrepreneurship

More information is provided in our ESG Report on pages 35 to 49

£26,000

Donated to charity

External Service Providers

Engaging with our external service providers is vital for the seamless distribution of our products. These providers include distribution partners (platforms, IFAs and fund managers) and our suppliers.

Their material issues

- Reliable partnerships
- Clear communications
- Robust governance

How we engage

- Conduct annual due diligence assessments to ensure supplier compliance and performance
- Collaborate with key suppliers to optimise processes, enhance efficiency, and align on shared goals
- Perform regular service reviews to maintain high standards and address potential issues
- Provide the Board with consistent updates on provider feedback, concerns, and partnership developments

Outcomes and key decisions

- We implemented new Application Programming Interfaces ("APIs") with select suppliers to improve integration and streamline operations
- Launched the new Tatton passive funds in May 2024, partnering closely with our Authorised Corporate Director ("ACD") for seamless setup and compliance
- Evaluated the Fintegrate acquisition's impact on service providers, ensuring smooth integration and strengthened partnerships
- Expanded relationships with service providers and onboarded new providers to enhance service offerings

Regulators

Tatton Investment Management Limited operates under the regulation of the Financial Conduct Authority ("FCA"), with the Board kept informed of significant regulatory updates or concerns.

Their material issues

- Maintaining open and transparent communication
- Acting in our customers' best interests
- Ensuring comprehension and adherence to the FCA Handbook's principles and rules
- Upholding exemplary conduct

How we engage

- Facilitate direct communication through our compliance senior manager function-holder
- Engage openly with the FCA via surveys and direct dialogue to ensure regulatory alignment

Outcomes and key decisions

- The Group maintained surplus regulatory capital throughout 2024, ensuring financial stability
- Board and Audit and Risk Committee regularly reviewed compliance reports for oversight
- We launched Tatton passive funds in May 2024, collaborating with the FCA to address queries and ensure compliant fund setup
- Upheld a tax strategy focused on full compliance, transparency, and low risk, avoiding aggressive tax planning and maintaining professional relations with HMRC
- Joined the Quoted Companies Alliance and adopted the new QCA Code in 2024
- Implemented Payments Practices and Performance Reporting for the first year

SECTION 172

Balanced GROWTH: guiding OUR JOURNEY

Section 172 Statement

Section 172 ("s.172") of the Companies Act 2006 requires the Directors to consider how best to promote the success of the Company for the benefit of its members as a whole. In doing so, the Directors must have regard, amongst other matters, to:

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

Our Board is dedicated to long-term decision making and to upholding the highest standards of conduct, both collectively and individually. We believe that it is crucial to acknowledge and value the perspectives and requirements of our investors, customers, workforce, suppliers, and other stakeholders. Additionally, we remain mindful of our environmental impact as we consider these factors to be fundamental to the Group's sustained growth and ongoing success. In fulfilling our responsibilities, we have empowered our staff to make day-to-day decisions within a robust governance structure.

This framework outlines our principles, the methods of communication with stakeholders, and the procedures needed to maintain a robust governance structure and control mechanisms. In coordination with the Company Secretary, our Chairman arranges the agenda for each Board meeting to ensure compliance with section 172, in accordance with our established approach.

We consider the views of our stakeholders during the decision making process, as evidenced by the considerations made during the recent implementation of a Group-wide healthcare benefit scheme, which is detailed on the next page. The Board also took other decisions that impacted its stakeholders, such as increasing the full year dividend from 16.0p in 2024 to 19.0p in 2025, in setting its "Roadmap to Growth" strategy to reach £30bn of AUM/I by 2029.

We believe that our transparent and proactive engagement strategy will foster strong relationships with all stakeholders and contribute to the sustainable success of the Group.

BOARD INFORMATION

Training:

Leadership and management receive training on Directors' duties, to stay informed of Board responsibilities.

Stakeholder Engagement:

Our Board regularly engages with stakeholders. This covers part (c) of s.172, with further details available on pages 50 and 51.

Board Papers:

Board documents cover various topics, including s.172 factors that are pertinent to the Group's strategic direction, as well as considerations of climate change through its TCFD reporting.

BOARD STRATEGIC DISCUSSION

Strategic Objectives:

The Board periodically reviews and modifies its strategies to meet long-term objectives. This links to parts (a) and (e) of s.172, with examples of this on pages 3, 16, 17 and 20.

Governance:

The Board acknowledges the role of governance in the Group and ensures that it is aligned with the business's scale and type. See more on pages 58 to 62 (part (f) of s.172).

Structure and Culture:

The Group maintains a flat hierarchy and supports an open, transparent environment for informed decision making. Pages 35 to 49 and 64 contain more information (parts (b) and (d) of s.172).

Information:

The Board regularly reviews financial and operational data to assist in decision making and to promote ongoing value growth.

BOARD DECISION

Actions:

The Board determines the actions to be taken following discussions.

Evaluation:

The Board assesses decision outcomes, adapts strategy as needed, and implements changes where necessary.

SECTION 172 in ACTION

Implementation of a Group-wide Healthcare Benefit Scheme

As part of the Group's commitment to robust social governance, the Board maintains an open and inclusive dialogue with customers and employees through various engagement events held throughout the year. These forums provide a platform for stakeholders to offer feedback and pose questions regarding the Group's performance, ensuring alignment with our values of collaboration, trust, and transparency.

During the 2023 staff day, employees raised a question regarding the potential introduction of a Group-wide healthcare benefit scheme, reflecting a key concern also identified through the most recent staff survey. The Board recognised that addressing such feedback is integral to fostering a workplace where employees feel valued and heard, and that anything we could do to extend "private" healthcare to all would enhance employee satisfaction, as well as provide a number of positive measures for both them and their families.

Although, for some time we have supported staff with access to services such as 24/7 GP and mental health support, in response to the feedback, the Group initiated a thorough evaluation to explore the feasibility of implementing a comprehensive healthcare scheme for all Group employees.

Throughout 2024, the Board conducted extensive research into healthcare schemes that would deliver meaningful value to employees in order to establish a clear set of success criteria to define an effective scheme. A number of considerations were required to be taken into account, such as the a low cost of the excess to staff members, which was high on the list of criteria. This approach ensured that the selected scheme would provide tangible benefits, while aligning with a rigorous cost-benefit analysis, reflecting the Group's commitment to prudent decision making.

Shareholders

In assessing the implementation of such a scheme, the Board recognised the importance of aligning its actions with the interests of shareholders by considering the long-term success of the Group and the impact of their decisions on shareholder value.

Recognising that employee wellbeing directly impacts staff retention, recruitment, and workplace productivity, the scheme was designed to enhance these areas while maintaining financial responsibility.

We sought to maximise shareholder value by ensuring that the decision we took was fully investigated and considered and, as such, chose to consider a number of potential options from a wide range of specialist healthcare insurers. Rather than selecting the lowest-cost option, the Board evaluated proposals from specialist healthcare insurers against the predetermined criteria, choosing a scheme that maximised value for employees while ensuring cost-effectiveness for the Group.

Firms and Clients

The Group's dedication to supporting financial advisers and their clients extends beyond the provision of products and services, as serving the IFA community remains at the heart of our strategy. The expertise and commitment of our employees are fundamental to delivering exceptional service in a client-focused environment.

With nearly 10 million people awaiting NHS appointments or treatments, as reported by the latest ONS figures, access to private healthcare is a critical social issue in the UK. By implementing a healthcare scheme informed by employee feedback, the Group aims to mitigate risks such as prolonged absences due to illness, ensuring consistent and high-quality service delivery to clients.

People

The Group's "Roadmap for Growth" strategy targets £30bn in AUM/I by the end of FY29, an ambition that relies on attracting and retaining high-calibre employees.

According to the Chartered Institute of Personnel Development in their 2023 health and wellbeing at work study, we are seeing the highest rate of sickness absence in a decade, and addressing and delivering schemes to support employees is at the height of a staff care agenda.

The study commented that to maximise the effectiveness of health and wellbeing provisions and address the workplace wellbeing paradox, companies need to develop systemic and preventative health and wellbeing strategies that are supported by the most senior levels of leadership.

The Board recognised that by offering a comprehensive healthcare scheme alongside a wellbeing programme already available to employees via our Group Life scheme would deliver a truly comprehensive level of support to staff members. What is more, the predetermined criteria would ensure that the benefits would be immediately available to all employees at the outset of the scheme, as opposed to having to wait for treatment, regardless of any past medical issues.

The healthcare scheme was successfully implemented in December 2024. By prioritising employee feedback and aligning with the Group's cultural values, the Board delivered a scheme that exemplifies "what good looks like" for our workforce. This initiative underscores our commitment to being an inclusive employer dedicated to fostering a supportive and harmonious work environment.

Risks to Tatton	• Long-term absences of employees due to illness affecting service delivery • Demotivated staff • Retention and recruitment of quality staff
Opportunities for Tatton	• Delivery of a comprehensive range of employee benefits to match or outweigh that of our competitors • Confirmation to employees that their input is valued and can lead to the successful delivery of a positive outcome
Key Stakeholder Trade-offs	• Scheme cost versus long-term performance of the business

BOARD OF DIRECTORS

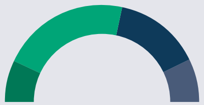
A focused LEADERSHIP

COMMITTEE MEMBERSHIPS

- Nomination Committee
- Remuneration Committee
- Audit and Risk Committee

Age

30–50 (14%)
51–60 (43%)
61–70 (29%)
71+ (14%)



Tenure (years)

1–5 (28%)
6–10 (44%)
11–15 (28%)

Gender diversity

Male   Female

ROGER CORNICK

Chairman

COMMENCED: 2017

Skills, competence, and experience:
Roger is Tatton Asset Management's Non-Executive Chairman. From January 2009 to September 2016, Roger was the Chairman of Aberdeen Asset Management, having joined the Board in January 2004. Prior to joining Aberdeen, Roger was with Perpetual plc for over 20 years.

Roger will retire from his role as Chairman of TAM at the Annual General Meeting in July 2025.

CHRIS POIL

Senior Independent Non-Executive Director, Chair of the Audit and Risk Committee and Chair of the Remuneration Committee

COMMENCED: 2017

Skills, competence, and experience:
Chris is Tatton Asset Management's Senior Independent Non-Executive Director. Previously, he served as the Head of UK Equities at ING Baring Asset Management. Prior to joining ING, he was a Director of Mercury Asset Management. Chris has previously been a Non-Executive Director of Ignite Group Limited, Novus Leisure Limited and Byron Limited.

LESLEY WATT

Independent Non-Executive Director and Chair of ESG Committee

COMMENCED: 2021

Skills, competence, and experience:
Lesley is an Independent Non-Executive Director of Tatton Asset Management. Lesley is a senior executive with over 20 years' experience in board and senior finance positions, including Scottish and Newcastle plc and, latterly, as the CFO of Miller Developments.

Lesley currently holds a Non-Executive Directorship at Scottish Baroque Ensemble Limited, where she chairs the Audit and Risk Committee. Lesley also chairs the Audit Committee of Sosandar plc.

BOARD OF DIRECTORS CONTINUED

PHILIPPA HAMNETT

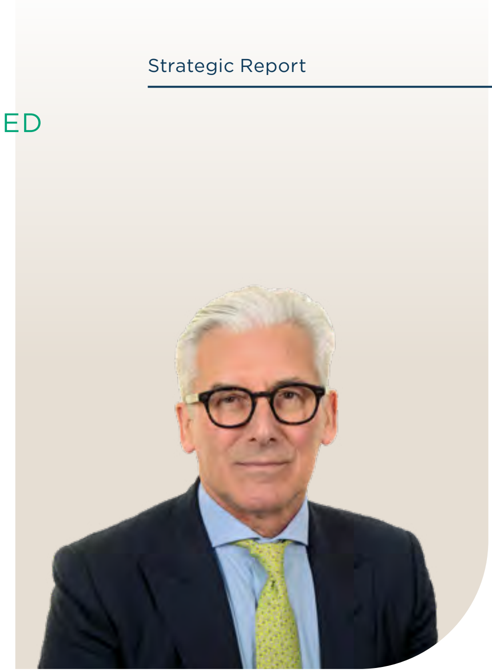
Independent Non-Executive Director

COMMENCED: 2025

Skills, competence, and experience:
Philippa (Pippa) joined the Board of TAM in 2025 as an Independent Non-Executive Director.

Pippa brings extensive capital markets experience as a former senior investment banking and corporate finance professional. Her career to date has spanned investment banking, corporate finance and corporate broking roles at Merrill Lynch, Collins Stewart, Canaccord Genuity, and Zeus Capital. Most recently, Pippa was Chief of Staff at a venture capital-backed engineering spin-out from the University of Oxford.

Pippa has a Master's degree in Biochemistry from the University of Oxford.



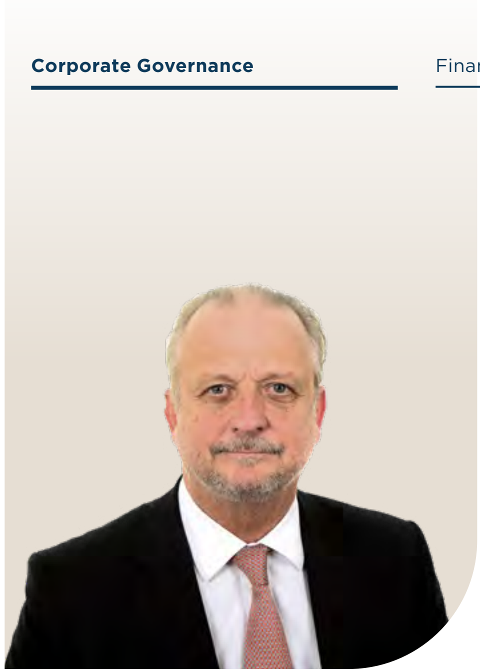
PAUL HOGARTH

Chief Executive Officer

COMMENCED: 2007

Skills, competence, and experience:
Paul is the Chief Executive Officer of Tatton Asset Management, as well as Senior Partner at Paradigm Consulting.

Paul has over 40 years' experience in financial services, the majority of which was at the centre of IFA distribution. Paul was the co-founder of Bankhall in 1987 and built Bankhall Investment Associates from scratch until its sale in May 2001, at which point, 25% of the IFA sector utilised at least part of the Bankhall service proposition. After leaving Bankhall, he went on to establish Paradigm Partners Limited, which launched in 2007 and has since grown to become one of the UK's top five distribution businesses. Subsequently, he was also the founder of Perspective Financial Group Limited in 2007 and of Tatton Capital Limited in 2012.



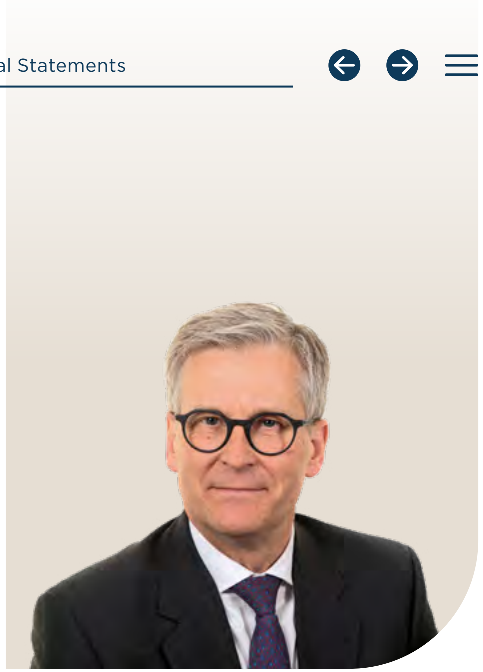
PAUL EDWARDS

Chief Financial Officer

COMMENCED: 2018

Skills, competence, and experience:
Paul is the Chief Financial Officer of Tatton Asset Management plc and joined the Board in 2018, shortly after the initial public offering ("IPO"). He is also the Finance Director of Paradigm Partners Limited and Tatton Investment Management Limited.

From September 2010 to October 2016, Paul was the Group Finance Director for Scapa plc and, prior to joining Scapa, Paul was the Group Finance Director for NCC Group plc for over 10 years. He has also held several other senior roles in a broad range of listed and private companies and was the Chair of the Hallé Pension Trustees for five years. Paul currently holds the position of Non-Executive Director and Chairman of the Audit Committee at SysGroup plc.



LOTHAR MENTEL

Chief Investment Officer

COMMENCED: 2012

Skills, competence, and experience:
Lothar is the Chief Investment Officer of Tatton Asset Management. He is also a Chief Executive Officer for Tatton Investment Management.

Prior to setting up Tatton Investment Management in 2012, Lothar was the Chief Investment Officer of Octopus Investments from 2008, where he built a multi-manager fund business that he grew to £1.6 billion. He has also held senior positions with N M Rothschild, Threadneedle, Barclays Wealth and Commerzbank Asset Management. Lothar began his career in Germany as a performance and risk analyst, later designing and launching the Barclays multi-manager funds.

Lothar was educated in Germany and holds a post-graduate degree in Business and Economics (Diplom Ökonom) from Ruhr-Universität Bochum.

DIVISION OF RESPONSIBILITIES

GOVERNANCE structure

Executive Committee

The Executive Committee is made up of the Executive Directors of TAM and its key responsibilities include:

- delivery of the Group strategy;
- monitoring the operating and financial performance of the Group and its divisions;
- risk management;
- cash management;
- business planning;
- review and monitoring of the Group's regulatory capital requirements and headroom;
- relationships with relevant authorities and regulatory stakeholders;
- legal and regulatory matters;
- people; and
- brand and reputation.

Divisional and Operating Company Boards

The divisions and Group companies have their own company boards and senior management reporting structures. These boards are responsible for:

- review of individual divisional and company operating and financial performance and budgets;
- sales and marketing;
- customer service;
- people retention and development;
- supplier relationship management;
- regulatory matters; and
- health and safety.

Across the Group, there are also a number of other committees and teams who report to the Company and Group boards.

These committees and teams have specialist knowledge and experience to review and share information, make decisions where appropriate, or report to the boards for decision making where relevant.

- Sales
- Operations
- Investment Committee
- Ethical Investment Committee
- Membership
- Compliance
- IT

The Board

The Group's Board is responsible for the long-term success of the Group and it is ultimately accountable for the Group's strategy, risk management and performance.

The Board's primary roles are to provide entrepreneurial leadership to the Group within a framework of prudent and effective control, which enables risk to be assessed and managed, and to set the Group's strategic objectives and ensure that the necessary resources are made available, so that those objectives can be met.

Key responsibilities include:

- overall management of the Group's strategy and long-term objectives;
- reviewing the Group's financial performance and approving the Group's interim and annual results, dividend policy and shareholder distributions;
- approving changes to the Board and other senior executive roles;
- reviewing the Group's risk management and system of internal control;
- approving changes to the Group's capital structure;
- approval of corporate plans, including material corporate transactions; and
- reviewing corporate governance arrangements.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is responsible for:

- reviewing and monitoring the integrity of the Group's financial statements;
- reviewing significant financial reporting matters and accounting policies, judgements and estimates;
- reviewing external audit activity;
- overseeing the relationship with the external auditor, including appointments, removal and fees;
- approving non-audit fees and the related policy;
- monitoring and mitigating emerging and principal risks;
- monitoring the effectiveness of risk management and internal control systems;
- review of annual internal controls management paper, along with ad-hoc updates where required; and
- reviewing any reports of whistleblowing.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for:

- determining all elements of remuneration for the Executive Directors and for reviewing its ongoing appropriateness;
- considering shareholder feedback on the remuneration policy;
- reviewing the wider strategic remuneration strategy to ensure stakeholder alignment;
- determining the design of all share incentive plans for approval by the Board and shareholders, ensuring that these are aligned to the Group's purpose and values. This also includes determining each year whether awards will be made, along with the overall amount of such awards and individual awards;
- determining targets for performance-related incentive schemes and approving total annual payments under these schemes;
- reviewing diversity and inclusion policies and practices and the related reporting requirements; and
- considering the remuneration trends and any major changes in employee benefit structures across the Group and the wider industry.

NOMINATION COMMITTEE

The Nomination Committee is responsible for:

- ensuring the right composition of Board members by evaluating the balance of skills, knowledge, experience and diversity on the Board;
- reviewing the structure, size and composition of the Board and the Board Committees and making recommendations to the Board; and
- leading the process for recruitment to Board positions and the consideration of succession planning.

DIVISION OF RESPONSIBILITIES CONTINUED

The CHAIRMAN is responsible for:

Leading the Board, ensuring that shareholders are adequately informed with respect to the Group's affairs and that there are efficient communication channels between management, the Board and shareholders;

Setting the agenda for each meeting of the Board in conjunction with the Company Secretary, in line with the annual work-list agreed upon by the Board;

Encouraging constructive Board relations and promoting open debate and effective discussion and challenge at meetings, ensuring an environment in which each Director feels comfortable in contributing to effective decision making; and

Overseeing the implementation of high standards of corporate governance, as well as evaluating the performance of the Board, its Committees and individual Directors on an annual basis.

The CHIEF EXECUTIVE OFFICER is responsible for:

Recommending and managing the strategies of the Group and leading the senior management team in developing and implementing the strategy to maximise shareholder value;

Maintaining relationships with shareholders and other key stakeholders;

The effectiveness of the Executive Committee, and developing its capabilities to ensure that the business delivers on strategic objectives set out by the Board in line with the Group's risk appetite; and

Communicating the views of the senior management team on business issues to the Non-Executive members of the Board, as well as developing Group policies and communicating the Company's values.

The CHIEF FINANCIAL OFFICER is responsible for:

Monitoring the financial position of the Group to meet its regulatory requirements and the management of its capital structure, ensuring adequate working capital and liquidity to meet the business's strategic objectives;

Providing strategic financial leadership and the day-to-day management of the finance function;

Explaining the performance of the Group to shareholders, together with the Chief Executive Officer; and

Adding a commercial and internal perspective to Board discussions and supporting the CEO in communicating the views and proposals of the senior management team on business issues to the Non-Executive members of the Board.

The CHIEF INVESTMENT OFFICER is responsible for:

Managing Tatton's investment portfolio performance and setting the investment style and strategy of the investments;

Providing expert knowledge on all investment activities within Tatton, and maintaining knowledge of all market securities and portfolio management products; and

Leading a team of investment professionals who are responsible for sourcing, managing and monitoring investments, as well as establishing an investment policy statement. The Chief Investment Officer will provide insight and direction to the team, ensuring that the investment portfolios meet client needs and remain within the agreed investment framework.

The EXECUTIVE DIRECTORS are responsible for:

Implementing the agreed strategy and the day-to-day management of the business;

Providing input into and reviewing the annual business plan, budget and strategic long-term direction of the Group;

Approving expenditure and other financial commitments within its authority levels and discussing, formulating and approving proposals to be considered by the Board; and

Identifying areas of improvement across the Group and leading the senior management team in the implementation of such improvements.

The NON-EXECUTIVE DIRECTORS are responsible for:

Contributing to the Group's strategy, whilst providing a constructive challenge to management performance, to ensure effective decision making;

Scrutinising the performance of the Executive Directors in relation to the delivery of strategy and the personal objectives that are set for the individual members of the Board, as well as the implementation of Board decisions and compliance with the Group's regulatory and legal obligations;

Providing independent judgement and offering specialist advice to the Board, taking into account the views of all of the organisation's stakeholders; and

Reviewing the Group's financial information and ensuring that the systems of internal control and the risk management framework are appropriate.

The COMPANY SECRETARY is responsible for:

Working with the Chairman to develop and maintain the policies and processes required to enable the Board to function effectively and efficiently;

Ensuring that the Board receives clear, accurate and timely information, along with the time and resources it needs; and

Advising the Board on corporate governance matters and to ensure that procedures are followed and applicable rules and regulations are complied with.

The SENIOR INDEPENDENT DIRECTOR is responsible for:

Providing a sounding board for the Chairman and, if necessary, acting as an intermediary for the other Non-Executive Directors;

Providing an alternative channel of communication for investors;

Acting as an intermediary for the other Directors; and

Leading the evaluation of the Chairman, and leading the search for a new Chairman when necessary.

Introduction

The Board is committed to achieving high standards of corporate governance, integrity and business ethics. The Group has taken into consideration the guidance for smaller quoted companies on the QCA Code produced by the Quoted Companies Alliance Corporate Governance Code 2023 (the "QCA Code").

Leadership and Role of the Board

The Board is responsible for setting the Group's values and standards and promotes these values throughout the organisation. The Board is responsible for ensuring that its obligations to its shareholders and other stakeholders, including employees, suppliers, customers and the community, are understood and met. The Board's duties are set out in a formal schedule of matters that are specifically reserved for Board decisions. The governance structure of the Group is detailed on page 56 of this report.

Board Committees

The corporate governance structure and framework is illustrated on page 56, which also details the responsibilities of the Nomination Committee, Remuneration Committee and Audit and Risk Committee.

Board Effectiveness, Composition and Independence of the Board

During the year, the Board comprised a Non-Executive Chairman, two Non-Executive Directors ("NEDs") and three Executive Directors. The names, biographical details and Committee memberships of the Board are set out on pages 54 and 55 of this report and a skills matrix is shown on page 63. The responsibilities of each Board member have been clearly established and there is a clearly defined division of responsibility between the Chairman and the Chief Executive Officer, as shown on page 57. The minimum time commitment of the Non-Executive Directors is 24 days.

The Board has determined that the Non-Executive Directors are independent in character and judgement, and that neither represents a major shareholder group nor has any involvement in the day-to-day management of the Company, or its subsidiaries. The Non-Executive Directors continue to complement the Executive Directors' experience and skills, bringing independent judgement and objectivity to enhance shareholder value.

Nomination Committee and Succession Planning

The Nomination Committee forms a key part in the oversight of the Board's composition, ensuring that the skills and experience of the Non-Executive Directors are wide and varied, and that they provide a constructive challenge in the Boardroom. The composition of the Board is intended to ensure that its membership represents a mix of backgrounds and experience that will optimise the quality of deliberations and decision making. Diversity in its composition is considered to be an important factor in the effectiveness of the Board and, in searching for prospective Directors, the Committee considers the existing skill sets of the Board and any areas identified for development to meet future needs and address succession planning.

The Group's commitment to diversity in the broadest sense, as well as the practicalities of addressing both the FCA diversity requirements, was a key consideration during the search for the Group's newest Independent Non-Executive Director. Pippa Hamnett joined the Board on 28 March 2025 and, having specific relevant experience, joined the Audit and Risk Committee on the same date. The process leading to that appointment is detailed below. The Board members seek continuous improvement, ensuring that they have the necessary up-to-date experience, skills and capabilities, and undertaking development and training where required; see further information below. Although not members of the Committees, the Executive Directors attend meetings of the Audit and Risk Committee, Remuneration Committee and Nomination Committee as invited attendees, when appropriate.

The skills matrix shown on page 63 illustrates the skills and experience of our Non-Executive and Executive Directors. The Board considers that it is of an appropriate size and that the Directors have an appropriate balance of skills and experience to manage the requirements of the business.

Appointment of Pippa Hamnett

PIPPA HAMNETT

1. **Identification of the role's requirements**
   The Nomination Committee, led by the Chairman Roger Cornick, gave consideration to the existing skills, knowledge, experience and diversity of the NEDs and cross-referenced these with the requirements of the optimal Board and Committee composition.
2. **Candidate search**
   The Committee engaged in a search that emphasised a requirement for relevant financial services knowledge and specific skills complementary to those already held by the Board.
3. **Assessment and due diligence**
   A leading candidate, Pippa Hamnett emerged from the search process. Her merits and suitability were scrutinised against the role specification, and reference checks through a network of contacts were carried out.
4. **Committee recommendation and approval**
   Following the receipt of satisfactory references, the Committee met to discuss a proposal to recommend the appointment of Pippa Hamnett to the Board as an Independent Non-Executive Director and member of the Audit and Risk Committee and Remuneration Committee. The Board considered and accepted the recommendation, with an offer being made to and accepted by Pippa.
5. **Appointment**
   Pippa was appointed to the TAM Board and was made a member of the Audit and Risk Committee and Remuneration Committee with effect from 28 March 2025 and began her duties immediately.

The Nomination Committee also oversees succession planning for both Executive and Non-Executive Directors. The approach taken by the Committee to succession planning is similar to that taken with new appointments. The Committee reviews the existing skills, knowledge and experience already present on the Board, seeking to understand its strengths and weaknesses, in order to identify where there may be an opportunity to bring in additional or complementary skills to improve the functionality and depth of experience of the Board.

Timelines for Succession Planning:

Succession planning is addressed on short, medium and long-term timelines to ensure that, as far as is practicable, all eventualities are planned for.

Short-term and emergency planning 0-1 year: Broader business continuity planning includes plans to ensure that there is sufficient short-term coverage in place for key roles on the Board, specifically, the Chairman, CEO, CIO and CFO, including the next steps to take, should absences be longer than anticipated.

Medium-term planning 1-3 years: In the medium term, succession plans aim to allow for the renewal of the composition of the Board and sub-committees in a controlled and strategic fashion. Medium-term horizon planning allows the Committee to consider the length of tenure of each member and to stagger planned departure dates. This, in turn, allows for a rolling review of gaps in skills, knowledge and diversity of experience and background that may become evident, and allows the Committee sufficient time to address these gaps.

Long-term planning 3+ years: Longer-term succession planning considers changes to the Board's skills, knowledge and diversity that may be required as the business grows, including strategic developments and changes to the markets within which the business operates.

Performance

The Board conducts a review of the performance of individual Directors to monitor and improve effectiveness. The review of the Chief Executive Officer is undertaken by the Non-Executive Chairman. In addition to individual reviews, the Board considers its overall performance as a body, along with the performance of its Committees. The review has confirmed that the performance of the Board and its Committees is effective and appropriate. This is currently an informal process, which has not identified any significant issues for improvement; however, the Board is considering how to enhance this process through self-evaluation questionnaires or via a formal independent evaluation process of the effectiveness of the Board.

Development and Training

The Chairman is responsible for ensuring the Directors' continue professional development, and that every Director is entitled to receive training and development relevant to their responsibilities and duties. The Directors take advantage of relevant seminars and conferences, and also receive training and advice on new regulatory requirements and relevant current developments from the Company and professional advisers.

Section 172 Duties

The Directors are obliged to fulfil their section 172 duties, having regard to the factors set out in the Chairman's Statement on page 7 and also on pages 52 and 53 and, when taking decisions, ensure that they promote the success of the Company as a whole. We believe that effective stakeholder engagement is critical to running a long-term sustainable business and, by considering the Company's strategic priorities and having a process in place for decision making, the Board aims to make sure that its approach to decision making and the consideration of stakeholder interests are consistent. Further information on the Company's key stakeholders is shown on pages 50 and 51.

Stakeholder Interests and Engagement

The Board is committed to maintaining an ongoing dialogue with the Company's shareholders. The principal methods of communication with private investors remain the Annual Report and the financial statements, the Interim Report, half and full year investor presentations, the Annual General Meeting ("AGM") and the Group's website, www.tattonassetmanagement.com. The AGM provides a forum for constructive communication between the Board and the shareholders. All shareholders are invited to raise any issues or concerns arising from the business that is proposed to be conducted at the AGM meeting, submitting them by email in advance. Responses are published on the Company's website on the morning of the AGM. In addition, throughout the year, the Executive Directors and, separately, the Chairman, meet with investors to discuss matters relevant to the Company.

Internal Control and Risk Management

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. Such systems are designed to manage rather than eliminate risks and can only provide reasonable, not absolute, assurance against material misstatement or loss. An ongoing process has been established to promote and communicate an appropriate risk culture within the Group and to identify, evaluate and manage the significant risks faced by each part of the Group.

This process has been in place throughout the year under review and includes key risks (industry, financial and operational) facing the Group. The process has also included the review and circulation of the whistleblowing policy to enable the anonymous reporting of complaints. In addition, the Board has also received external reports in relation to cyber security and uses a range of measures to manage this risk, including the use of cyber security policies and procedures, security protection tools and the ongoing detection and monitoring of threats. The Board routinely reviews the effectiveness of its systems of internal control and risk management to ensure that controls react to changes in the Group's operations.

Approved and authorised for issue by the Board of Directors and signed on its behalf by:

ROGER CORNICK
CHAIRMAN

Tatton Asset Management Plc

QCA CODE VERIFIED VERSION ESTABLISHED 2013

THE QCA CODE

The Board have applied the principles of the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). The application of the QCA Code provides a sound foundation for governance that supports the Group in delivering its strategy. From 1 April 2024, the 2023 QCA Code came into effect, replacing the 2018 version of the Code that the Group had initially implemented. This update included significant changes to both the principles and the guidance for their application. Details of how the Group applies the ten principles and, where appropriate, how it has adapted to these changes is outlined in the following pages.

The QCA Code is built on the three fundamentals of delivering growth, maintaining a dynamic management framework, and building trust, to each of which the Board is committed, as it believes that these will support the Group's medium- to long-term success. Under the Alternative Investment Market ("AIM") Rules, the Group is not required to comply with the provisions of the UK Corporate Governance Code. While the UK Corporate Governance Code has not been applied in full, the Board has continued working towards full compliance over the coming years.

Principle 1: Establish a purpose, strategy, and business model that promotes long-term value for shareholders

We are focused on the provision of those products and services that an IFA requires to service its clients, and continue to invest in both people and technology that will enhance and enable our business model. The Group's strategy is kept under review by the Board as it continues to grow its AUM, strategic partnerships, distribution, and market share. The Group's business model and strategy are detailed on pages 3 to 22. The Board acknowledges that there are challenges and risks in delivering its strategy, and its risk management framework, along with the Group's principal risks, are detailed on pages 26 to 31.

Key Change

Purpose: Purpose has always been at the core of our strategy and is outlined in the At a Glance section on page 2. At its core, our purpose is to be the provider of choice for IFAs and their clients by providing the highest quality of investment management and best-in-class IFA support services, and ultimately to enhance outcomes for both advisers and clients.

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Board is committed to taking responsibility for developing and maintaining a strong, values-driven corporate culture across our Group and is supported in this endeavour by the senior management team. The Board interacts with employees and monitors the Group's culture on an ongoing basis, ensuring that our values are embedded across the organisation. The strategic direction, values, and purpose of TAM are outlined on pages 2 and 3, with details on the Group's aims and objectives and the means by which it strives to achieve them. The Group's culture, underpinned by its core values, is critical in ensuring that TAM can meet its strategic objectives. Our ESG report is shown on pages 35 to 49.

Principle 3: Seek to understand and meet shareholder needs and expectations

The Company seeks to understand the needs and expectations of all of its shareholder base through a wide range of investor relations initiatives, including:

- regular meetings, which are held with our investors throughout the year;
- results presentations for the full year and half year, which are held both virtually and in person;
- providing the latest company announcements, financial reports, and additional investor information on our website; and
- the Company's AGM and feedback before and after the meeting.

Principle 4: Take into account wider stakeholder interest, including social and environmental responsibilities, and their implications for long-term success

TAM identifies its key stakeholders and details how the Group engages with each of its stakeholders on pages 50 to 53, including a section 172 statement.

We believe that it is important to have clear ESG beliefs and principles that guide our Board of Directors, employees, and stakeholders in their actions and decision making. Our guiding ESG principles are detailed within our ESG report on pages 35 to 49.

Key Change

Environment: The updated Code broadens stakeholder interests to take into account environmental responsibilities, which is an area that the Group consider integral to our business operations and our long-term success. The details of our approach to our environmental responsibilities can be found in our ESG section on pages 43 and 44.

Principle 5: Embed effective risk management, internal controls, and assurance activities, considering both opportunities and threats throughout the organisation

The Board is ultimately responsible for the Group's risk management and internal control systems, and for determining the Group's risk appetite, and has delegated certain responsibilities to the Audit and Risk Committee ("ARC") (see page 56 for our governance structure and responsibilities).

We carry out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten our business model, future performance, solvency, or liquidity. Our risk management processes and principal risks are shown on pages 23 to 31.

Key Change

Internal controls and assurance activities: The ARC reviews internal controls at least annually, with management presenting a dedicated internal controls paper to the Committee. The Committee also reviews the need for additional or ad-hoc third party assurance activities as part of its ongoing responsibilities.

Principle 6: Establish and maintain the board as a well-functioning, balanced team led by the Chairman

The Directors acknowledge the importance of high standards of corporate governance and believe that the QCA Code provides the best fit for the Group by setting out a standard of best practice for small and mid-sized quoted companies, particularly those on AIM.

The Board includes a balance of Executive and Non-Executive Directors, with three Non-Executive Directors and three Executive Directors. The Board is managed by the Chairman, who has overall responsibility for corporate governance.

Details of our Board members and their responsibilities are shown on pages 54 to 57.

Principle 7: Maintain appropriate governance structures and ensure that, both individually and collectively, the Directors have the necessary up-to-date experience, skills, and capabilities

The composition of the Board is intended to ensure that its membership has a wide and varied skill set, along with a mix of backgrounds and experience that will optimise the quality of their deliberations and decision making. The Board members seek continuous improvement, ensuring that they have the necessary up-to-date experience, skills and capabilities, undertaking development and training where required. The Board members and their responsibilities, including those of the Company Secretary, are detailed on page 57.

The Board seeks external advice where required, including reviews of specialist areas such as cyber security and remuneration where appropriate.

Key Change

The Board seeks to maintain the appropriate governance structures.

Principle 8: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board currently performs an evaluation of its effectiveness informally, considering its composition and expertise, its role in setting strategy, and its understanding of the Group's risks. The Board has not identified any significant issues for improvement; however, as the Group continues to grow in scale and size, the Board is considering how it can enhance this performance evaluation through self-evaluation questionnaires or an independent evaluation of the Board's effectiveness.

Principle 9: Establish a remuneration policy that is supportive of long-term value creation and the company's purpose, strategy, and culture

The Board recognises its responsibility to effectively align its remuneration policy with the Group's purpose, strategy, and culture.

The remuneration policy implemented by the Remuneration Committee places long-term shareholder value at its core, and supports and reinforces senior management in its decision making and the fostering of corporate culture through appropriately designed long-term incentive plans, the details of which can be found in the Remuneration Committee Report on pages 68 to 72.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Tatton Asset Management plc is committed to maintaining high standards of corporate governance. The Board of Directors recognises the importance of good governance in the management of the Group and the protection of shareholder interests. Our Corporate Governance report is presented on pages 54 to 76. The Group's strategic objectives and business growth depend on the support and engagement of shareholders. We hold regular meetings with our investors throughout the year and deliver both half year and full year results presentations, both virtually and in person. We provide the latest company announcements, financial reports, and additional investor information on our website. Further information on how we engage with our stakeholders is given on pages 51 to 52.

BOARD SKILLS

Key SKILLS and EXPERIENCE

Level of experience

- Core experience
- Secondary experience

The Board consists of seven members, comprising the Non-Executive Chairman, Senior Independent Non-Executive Director, two Non-Executive Directors, and three Executive Directors – the CEO, CFO and CIO.

Skills and Experience

The Board considers that it is of an appropriate size, with Directors possessing a balanced mix of technical skills, education, and professional experience to effectively oversee the Group's operations.

The Nomination Committee regularly assesses the Board's size, structure, and composition, as well as its Committees, to ensure a diverse blend of skills, experience, knowledge, backgrounds, and strengths that aligns with the Group's strategic goals. Should gaps in the skills matrix emerge, the Committee seeks to recruit new members.

Directors enhance their expertise through daily responsibilities and targeted training, maintaining the up-to-date skills needed for an agile Board.

Biographies of the Non-Executive and Executive Directors, detailing their key skills and experience, are provided on pages 54 and 55.

MEETING ATTENDANCE

	BOARD MEMBERS						
ROLE	ROGER CORNICK	CHRIS POIL	LESLEY WATT	PIPPA HAMNETT[1]	PAUL HOGARTH	LOTHAR MENTEL	PAUL EDWARDS
Board	7/7	7/7	7/7	n/a	7/7	7/7	7/7
Audit and Risk	4/4	4/4	4/4	n/a	4/4	–	4/4
Nomination	1/1	1/1	1/1	n/a	1/1	1/1	1/1
Remuneration	4/4	4/4	4/4	n/a	3/4	–	3/4

KEY SKILLS AND EXPERIENCE

	BOARD MEMBERS						
KEY SKILLS	ROGER CORNICK	CHRIS POIL	LESLEY WATT	PIPPA HAMNETT	PAUL HOGARTH	LOTHAR MENTEL	PAUL EDWARDS
Financial services experience	Core	Core	Secondary	Core	Core	Core	Core
Corporate governance in UK listed companies	Core	Core	Core	Core	Core	Secondary	Core
Culture and values	Core	Core	Core	Secondary	Core	Core	Core
Accounting and finance		Core	Core	Core	Secondary	Secondary	Core
Audit		Core	Core		Secondary		Core
Risk and regulation	Core	Core	Core	Secondary	Core	Core	Core
Corporate strategy	Core	Core	Core	Core	Core	Core	Core
Executive management	Core	Core	Core	Secondary	Core	Core	Core
Remuneration	Core	Core	Core		Core	Core	Core
Marketing and distribution strategy	Core	Secondary		Secondary	Core	Core	Secondary
Mergers and acquisitions	Core	Core	Core	Core	Core	Secondary	Core
Investment management		Core			Core	Core	
Media relations	Core			Secondary	Core	Core	Secondary
Human resources	Core	Secondary	Secondary		Secondary	Secondary	Core
IT and cyber security		Secondary	Core		Secondary	Core	Core
ESG		Core	Secondary		Core	Core	Core
Emerging technologies		Secondary	Secondary		Secondary	Core	Secondary
Regulations		Secondary	Secondary	Secondary	Secondary	Core	Secondary

1. Pippa Hamnett was appointed to the Board in March 2025 and was therefore not in post at the time any Board meetings were held during the financial year. As such, her attendance is marked as 'n/a'.

MONITORING CULTURE

HOW the BOARD MONITORS culture

The Board is committed to fostering and maintaining a strong, values-driven culture across the Group, and is supported in this by the senior management team. The Board plays an active role in ensuring that TAM's organisational culture aligns with the Group's strategy, values, and purpose.

To embed its values throughout the organisation, the Board engages with employees and monitors cultural indicators on a regular basis. These indicators help assess whether the culture remains aligned with the Group's evolving strategic direction.

Our strategy, values, and purpose — as outlined on page 2 — offer a clear guide for employees and stakeholders of the Group's aims and objectives and the means by which it strives to achieve them. The Group's culture, underpinned by its core values, is critical in ensuring that TAM can meet its strategic objectives.

The Board champions an inclusive and equitable workplace environment, where employees are empowered to make sound decisions. To provide employees with the necessary guidance, a collection of resources is made available, including a variety of Group policies, the comprehensive employee handbook, and interactive online training modules. All new employees receive the Group's Code of Conduct, which sets clear expectations for ethical behaviour and decision making.

Employee retention:

89%

(2024: 86%)

Issues raised through whistleblowing:

none

(2024: none)

To develop a well-rounded understanding of the organisational culture, the Board draws insights from both formal and informal sources. These include:

- feedback from all employee engagement with the Board and senior leadership;
- regular updates to the Board from the Chief Executive Officer and other senior management on people-related matters, including recruitment;
- results from employee surveys;
- Board and Committee presentations at the Annual Staff Days, regular divisional meetings, and team meetings;
- review of people-related risks by the Audit and Risk Committee;
- reports from the Head of Risk and Compliance; and
- whistleblowing reports.

These mechanisms provide the Board with valuable insight into the experience of employees and the information enables the Board to actively monitor and assess the culture across the Group.

The Board is encouraged by the consistently high levels of employee engagement with TAM's values. Nonetheless, culture will remain a priority for ongoing focus and improvement.

AUDIT AND RISK COMMITTEE REPORT

Introduction

As Chairman of the Audit and Risk Committee, I am pleased to present this report for the Audit and Risk Committee for the year ended 31 March 2025. The Committee plays a key role in overseeing the integrity of the Company's financial statements and the robustness of the Group's system of internal control and financial and risk management. The Committee acts independently of management to ensure that the best interests of shareholders are properly protected in relation to financial reporting and internal control.

The Committee met four times during the year. All members are deemed to have the necessary ability and experience, with an effective balance of skills, to understand financial statements and to discharge their responsibilities effectively. Pippa Hamnett joined the Audit and Risk Committee in March 2025 and was not eligible to attend any meetings during the financial year. Other Directors and senior management are invited to attend as appropriate, including the Chief Executive Officer, Chief Financial Officer, Head of Compliance and Head of IT, along with other relevant members of senior management, as appropriate.

The external auditor attended three meetings during the year, and the Committee also meets privately with the external audit partner at least once a year without management being present.

As Chairman, I hold regular meetings with the Chief Financial Officer, maintaining open dialogue around key audit-related topics ahead of each Committee meeting.

Risk Management

The Committee continues to play an important role in reviewing the risk management framework of the Group, which is designed to identify emerging trends and heightened areas of risk. The Committee also considers the Group's internal control systems, policies, and procedures, ensuring that they operate effectively.

The Group does not have an internal audit function and the Committee believes that, based on the Group's current size and complexity, management are able to derive assurance as to the adequacy and effectiveness of internal controls and risk management processes without an internal audit function. The Committee will continue to keep this matter under consideration as the Group continues to grow.

The Committee also involves external parties to provide some independent assurance, review, perspective, and/or challenge to our processes and risk environment. During the year we have worked with an external party to review the TIML Risk Management Framework to ensure risks continue to be identified, assessed, managed, and monitored effectively. The key enhancements relate to the production of new "bottom-up" Risk and Control Self-Assessment data, and alignment of the framework to the firm's climate-related financial disclosure obligations.

CHRIS POIL
CHAIRMAN OF THE AUDIT AND RISK COMMITTEE

Role and Responsibilities

The role of the Audit and Risk Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- the integrity of the Group's financial statements;
- significant financial reporting matters and accounting policies, judgements, and estimates;
- internal and external audit activity;
- the relationship with the external auditor, including appointment, removal, and fees;
- the approval of non-audit fees and the related policy;
- emerging and principal risks, including relevant mitigation;
- the effectiveness of risk management and internal control systems; and
- any reports of whistleblowing.

Committee Attendance

The Committee meets at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. The Committee comprises Independent Non-Executive Directors.

MEMBER	POSITION	ELIGIBLE/ATTENDED MEETINGS (INCLUDING AD-HOC MEETINGS)
Chris Poil	Committee Chairman	4/4
Roger Cornick	Non-Executive Director and Chairman of the Board	4/4
Lesley Watt	Non-Executive Director	4/4
Pippa Hamnett	Non-Executive Director	n/a*

* Pippa Hamnett was appointed to the Audit and Risk Committee in March 2025 and was therefore not in post at the time any meetings were held during the financial year. As such, her attendance is marked as 'n/a'.

External Audit

The Group's external auditors are Deloitte, who have been appointed since 2017. David Heaton completed his fifth and final year as audit partner in FY24, and it is, therefore, my pleasure to announce the appointment of Nick Graham as our new audit partner for the current year. Nick brings a wealth of experience in the financial services sector and we look forward to a productive working relationship. As an AIM-listed company, TAM plc is not required to rotate its audit firm after 10 years, although the Group will consider undertaking a tender process when it feels that the time is appropriate. During the year, the Audit and Risk Committee monitored the Group's policy on external audit and evaluated and reviewed the independence and effectiveness of Deloitte in their role. No material issues were raised during the course of the year. The Committee agreed the external audit and assurance fees, and reviewed the audit engagement letter.

The external auditor presents their audit plan for the audit of the full year annual report and accounts to the Audit and Risk Committee, prior to the end of the relevant financial year.

The audit plan sets out the scope of the audit, risk focus areas, materiality, and reporting thresholds, along with the audit timetable. At the end of the audit, the auditor presents any audit findings to the Audit and Risk Committee for discussion. The Audit and Risk Committee is satisfied that Deloitte has conducted an effective audit for the year ended 31 March 2025. Details of the auditor's remuneration is provided in note 6 to the Consolidated Financial Statements included within the Annual Report and Accounts.

Non-Audit Fees

The Committee reviews the non-audit services policy each year, in order to safeguard the ongoing independence of the external auditor and ensure compliance with the FRC's Ethical Standard. The Committee has reviewed and approved the policy for this year.

Prior to undertaking any non-audit service, external auditor independence is considered, together with the nature of the services and fee levels relative to the audit. Management will confirm with its auditor, prior to commencing any non-audit services engagement, that the service to be provided is allowed under ethical standards and regulations relating to non-audit services. The approval of the Committee must be obtained before the external auditor is engaged to provide any permitted non-audit services. For permitted non-audit services that are considered not to be material, these are capped at 70% of the audit fee, and the Committee has pre-approved the use of the external auditor for cumulative amounts totalling less than or equal to £10,000.

During the past financial year, the external auditor undertook non-audit work in relation to other assurance services for the Client Assets Sourcebook ("CASS") audit of Tatton Investment Management Limited. The auditor was paid a total fee of £10,000 (2024: £9,000). Analysis of the fees paid to Deloitte during the current and prior year can be found in note 6 to the financial statements.

The Committee is satisfied that the external auditor's independence has not been impaired by their provision of non-audit services.

Financial Reporting

The Committee has reviewed with both management and the external auditor the annual financial statements, focusing on: the overall truth and fairness of the results and financial position, including the clarity of disclosures shown in the statements and their compliance with best-practice requirements; the appropriateness of the accounting policies and practices used in arriving at those results; the resolution of significant accounting judgements, or of matters raised by the external auditor during the course of the annual statutory audit; and the quality of the Annual Report and Accounts when taken as a whole, including disclosures on governance, strategy, risks, and remuneration, and whether it gives a fair, balanced, and understandable picture of the Company. The Committee also considered the use of alternative performance measures by the Group, including the appropriateness of their current use and their disclosure in the Financial Statements and Strategic Report.

Anti-Bribery and Whistleblowing

The Audit and Risk Committee has a standing agenda point to review and discuss any reports of whistleblowing received during the period between meetings. Whistleblowing policies, including details of contact information for individuals to whom employees can make a report, are made available to all employees. Further details on the Group's anti-bribery and whistleblowing policies are given in our ESG report on pages 35 to 49.

Key Areas of Focus

The key areas that the Committee considered are set out on the following page. In addition, at each meeting, the Committee received updates from compliance and senior management on major projects, as well as reviewed a dashboard of metrics to monitor key risks, and any whistleblowing reports.

Approval

This report, in its entirety, has been approved by the Audit and Risk Committee and signed on its behalf by:

CHRIS POIL
CHAIRMAN OF THE AUDIT AND RISK COMMITTEE

9 June 2025

Key Areas of Focus

The Audit and Risk Committee's areas of focus during the year were as follows:

Financial reporting	• Reviewing and giving approval of the Interim and Annual Report and Accounts, ensuring that these are fair, balanced, and understandable for shareholders and other end users; • Reviewing the policies, key assumptions, and judgements applied in the preparation of the Interim and Annual Report and Accounts, including the external auditors' feedback on financial reporting changes and the Group's financial controls; • Reviewing the acquisition accounting, including fair value of contingent consideration post-acquisition, the assumptions and judgements applied, and disclosures in the Interim and Annual Report and Accounts in respect of the 8AM, Verbatim, and Fintegrate businesses; • Considering the impairment review performed by management, including the assumptions on the underlying calculation of value-in-use of the assets tested for impairment; • Reviewing the overall presentation of alternative performance measures ("APMs") to ensure that they are not given undue prominence, reviewed the nature of the adjusting items excluded from the statutory results, and evaluated the clarity and explanations of APM reconciliations; • Reviewing the key reporting considerations and the voluntary disclosures in the Annual Report and Accounts regarding the Task Force on Climate-related Financial Disclosures ("TCFD"); • Consideration of regulatory developments; and • Reviewing the Group's Statement of Going Concern and related assumptions.
External audit	• Approving the annual external audit plan, the terms of reappointment, terms of engagement, and fee proposal; • Providing oversight of the Group's external auditors, Deloitte, including assessing their independence, objectivity, and effectiveness; • Reviewing audit findings, including key issues, accounting and audit judgements and recommendations, guidance, and observations around the Group's internal controls environment; and • Reviewing management representations.
Control oversight	• Reviewing the adequacy and effectiveness of the Group's internal financial controls; • Reviewing recommendations following external reviews of the Group's IT general controls; • Reviewing and approving the Group's policy on non-audit services; and • Reviewed the adequacy and security of the Group's whistleblowing policy and procedures.

Risk appetite, strategy, and exposure management	• Overseeing and recommending to the Board the Group's Risk Appetite Statement, and limits and policies for controlling risk within the Board's stated appetite; • Reviewing risk metrics, particularly focusing on any red-rated risks and assessing the adequacy of mitigating or remedial actions; • Monitoring the steps taken by management to bring red-rated risks in line with the Board's risk appetite; • Assessing regularly and updating, where appropriate, the Risk Appetite Statement involving a regular reassessment of the Group's principal risks and uncertainties, underpinned by key metrics, that articulate the status and tolerance levels of key business risks; • Approving the Group's professional indemnity insurance cover; and • Reviewing findings of an assessment of TIML's operational resilience and business continuity planning.
Top-down and emerging risks	• Monitoring external developments, for example, competition, market conditions, the macroeconomic and regulatory environment, taxation, and legal developments, in order to assess the potential impact on the Group; • Periodically reviewing the Group's potential risk exposures, and considering and challenging management's methodology to identify and address such exposures; • Review climate-related risks and opportunities and approve inclusion of these risks to be reported to the Board; and • Recommending to the Board the principal risks and uncertainties to be reported in the Annual Report and Accounts.
Routine matters	• Reviewing the Committee's composition and the minutes of prior meetings.

Introduction

In my role as Chair of the Remuneration Committee, I am delighted to present our report on Directors' remuneration for 2024/25 on behalf of the Board. Our role as the Remuneration Committee has been to ensure that robust governance surrounds remuneration within the Group, and provides the policy and practical support to promote TAM's strategy for long-term growth and the delivery of shareholder value. The Board members attendance at Committee meetings is detailed on page 63.

The Committee's agenda for its meetings and key discussion points over the year included:

- pay arrangements, including reviewing budgeted salary expenditure across the Group, approving pay reviews for employees as presented to the Remuneration Committee, and a review of Directors' remuneration packages. The Directors' review concluded that having previously had no annual salary increases since the IPO in 2017, it was appropriate to apply an increase to base salaries for Executive Directors for the financial year ending 31 March 2025, to remain in line with fair market rates and at the same time incorporating these into a wider remuneration framework that caps both annual cash bonuses and the granting of any options under the Company's share based, long-term incentive plans;
- the annual bonus scheme, approving the schemes and targets, and discussing the out-turn of performance to determine the level of bonuses paid out to employees and Directors;
- long-term incentives, including approving the level of vesting of the 2021 scheme (see details later in this report) and setting the targets and approving the participants in the new grant of options in the year; and
- governance, including its annual approval of the Directors' Remuneration Report, and review of shareholder voting on the Remuneration Report at the AGM. The Committee, led by the Chairman, engages with investors throughout the year to answer remuneration queries and provide additional context for decisions. This typically takes place in written format, but can include other formats where requested.

Remuneration Policy

Remuneration Policy for Executive Directors

The policy of the Remuneration Committee is to set basic salaries at a level that is competitive with that of comparable businesses. The same principles are applied to the Directors' fixed remuneration, pension contributions, and benefits as are applied to those of employees throughout the organisation. The main principles of the senior executive remuneration policy are set out below:

- attract and retain high-calibre executives in a competitive market, and remunerate executives fairly and responsibly;
- motivate the delivery of our key business strategies and encourage a strong and sustainable performance-oriented culture;
- align the business strategy and achievement of planned business objectives; and
- take into consideration the views of shareholders and best-practice guidelines.

External Appointments

It is the policy of the Group, which is reflected in the contract of employment, that no Executive Director may accept any Non-Executive Directorships or other appointments without the prior approval of the Board. Any outside appointments are considered by the Nomination Committee or the Board to ensure that they would not give rise to a conflict of interest. It is the Group's policy that remuneration earned from any such appointment may be retained by the individual Executive Director.

Remuneration Policy for the Chairman and Non-Executive Directors

The Chairman and other Non-Executive Directors are appointed under a letter of appointment. The letters of appointment cover such matters as time commitment, duties, and involvement in other business interests. The Chair of the Remuneration Committee and the CEO determine the remuneration for the Chairman, and the Chairman and the CEO determine the remuneration for the Non-Executive Directors, within the limits set in the Company's Articles of Association. The fee for the role of Chairman takes into account the time commitment required for the role, the skills and experience of the individual, and market practice in comparable companies. The Chairman's fee is currently set at £140,000 per annum. The Non-Executive Director fee policy is to pay a basic fee for membership of the Board, with additional fees for the Senior Independent Director and for chairmanship of a Committee, to take into account the additional responsibilities and time commitments of these roles. The Senior Independent Non-Executive Director's fee is currently set at £115,000 per annum and the Non-Executive Directors' fees are currently set between £60,000 and £80,000.

Service Contracts

It is the Group's policy for all Executive Directors to have contracts of employment that contain a termination notice period of not less than twelve months. All Executive Director appointments continue until terminated by either party, on giving not less than twelve months' notice to the other party. Non-Executive Directors do not have service contracts. A letter of appointment provides for an initial period of twelve months and continues until terminated by either party giving three months' prior written notice, to expire at any time on or after the initial twelve month period.

Components of Remuneration

Salaries and Fees

Salaries for Executive Directors are determined by the Remuneration Committee. The level of salary broadly reflects the value of the individual and their role, skills, and experience. Salaries are reviewed annually in March, with any changes typically taking effect in April, and take account of market levels, corporate performance, and individual performance.

The Remuneration Committee reviewed the Directors' remuneration packages for the financial year to 31 March 2025, to ensure that these reflect market rate, and that there is an appropriate structure in place to drive the future growth of the business while meeting good governance standards. Fees to Non-Executive Directors are determined by having regard to fees paid to other Non-Executive Directors in other UK quoted companies, along with the responsibilities of the individual Non-Executive Director, and the time committed to the Company.

Pension Provision

Typically, the Group will pay minimum contributions into a personal pension plan, nominated by each Executive Director, at 12% of their basic salary. Depending on individual circumstances, basic salaries may be increased in lieu of a pension contribution.

Single Total Figure of Remuneration for Each Director (audited)

Directors' remuneration, payable with respect to the year ended 31 March 2025, was as follows:

31/03/2025	BASIC SALARY AND FEES[1,2] £'000	BONUS £'000	LONG-TERM INCENTIVES[3]	SHARESAVE[4]	PENSION-RELATED AND OTHER TAXABLE BENEFITS	TOTAL
Executive Directors						
Paul Hogarth	**630**	**600**	**173**	**–**	**3**	**1,406**
Lothar Mentel	**382**	**375**	**173**	**–**	**29**	**959**
Paul Edwards	**399**	**375**	**173**	**16**	**1**	**964**
Sub-total	**1,411**	**1,350**	**519**	**16**	**33**	**3,329**
Non-Executive Directors						
Roger Cornick	**140**	**–**	**–**	**–**	**–**	**140**
Chris Poil	**111**	**–**	**–**	**–**	**–**	**111**
Lesley Watt	**78**	**–**	**–**	**–**	**–**	**78**
Pippa Hamnett[6]	**5**	**–**	**–**	**–**	**–**	**5**
Total	**1,745**	**1,350**	**519**	**16**	**33**	**3,663**

31/03/2024	BASIC SALARY AND FEES[1,2] £'000	BONUS £'000	LONG-TERM INCENTIVES[3]	SHARESAVE[4]	PENSION-RELATED AND OTHER TAXABLE BENEFITS	TOTAL
Executive Directors						
Paul Hogarth	342	350	844	–	3	1,539
Lothar Mentel	293	240	784	–	27	1,344
Paul Edwards	263	240	684	–	1	1,188
Sub-total	898	830	2,312	–	31	4,071
Non-Executive Directors						
Roger Cornick	140	–	–	–	–	140
Chris Poil	100	–	–	–	–	100
Lesley Watt	70	–	–	–	–	70
Total	1,208	830	2,312	–	31	4,381

1. Paul Hogarth and Paul Edwards have received additional basic salary in lieu of the provision of a company car.
2. All Executive Directors have received additional basic salary in lieu of pension contributions.
3. Represents the market value on vest date of any long-term incentive awards vested during the relevant financial year.
4. Value of the benefit associated with the discount of the Sharesave scheme, which vested during the relevant financial year.
5. Alternative performance measures are detailed in note 27.
6. Pippa Hamnett was appointed in March 2025.

Other Benefits

Executive Directors are entitled to benefits commensurate with their position, including consideration for a discretionary performance-related annual bonus scheme, private medical cover, life assurance, and car allowances.

Short-term Incentives

2025 Performance and remuneration outcomes

Our remuneration framework for our Executive Directors is closely aligned with the financial performance of the Group, particularly the KPIs of assets under management ("AUM") and adjusted operating profit[1]. The range of annual bonuses has been set as follows:

- CEO 100–150% of basic salary
- CIO/CFO 100–125% of basic salary

The maximum award will be the top end of the ranges set out above. Awards may be paid at a lower level than 100% if the Remuneration Committee, acting reasonably, decides at its discretion. Awards above 100% will be at the discretion of the Remuneration Committee.

The Group's AUM grew by 26.1% to reach £20.872bn as at 31 March 2025, revenue grew by 23.1% to £45.3m, and adjusted operating profit[1] grew by 23.9% to £22.9m, which represents an underlying adjusted operating profit[1] margin of 50.6%. Any bonuses paid as a short term incentive are based on predetermined financial targets for these KPIs, set at the start of the financial year, and personal performance. For further details on the financial performance of the firm, please see pages 32 and 34.

Long-term Incentives

The long-term incentive plan ("LTIP") for Executives is designed to reward the execution of strategy and growth in shareholder value over a multiple-year period. Long-term performance measurement discourages excessive risk-taking and inappropriate short-term behaviours, and encourages Executive Directors to take a long-term view by aligning their interests with those of shareholders. Executive Directors are granted LTIP awards in the ranges below:

- CEO 100–175% of basic salary
- CIO/CFO 100–150% of basic salary

The maximum award will be the top end of the range set out above. All LTIP awards will be made depending on there existing sufficient headroom of available options. Awards may be made at a lower level than 100% if the Remuneration Committee, acting reasonably, decides at its discretion. Awards above 100% will be at the discretion of the Remuneration Committee.

The value of options held by Directors that vested in the year was £0.5m.

Sharesave Plan

The Sharesave plan is an "all-employee" Save as You Earn ("SAYE") share option plan, which gives eligible participating employees the opportunity to acquire ordinary shares in the Company, using savings of up to £500 per month or such other amount as is permitted under the relevant legislation governing "tax-approved" savings-related share option plans.

TAM plc Long-term Incentive Plan

The Directors have adopted the TAM plc EMI scheme, which became effective on admission and which was extended in each subsequent year up to 2024. The EMI plan is a share option plan under which all eligible employees (including Executive Directors) could be granted options over shares on a tax-advantaged basis, under the provisions of Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 ("Schedule 5"). Due to the growth and success of the Group, new grants of options made during or after 2022 no longer qualify for this tax advantageous treatment; however, new non-qualifying options can still be granted under the scheme, and the Directors elected to do so in this financial year.

Vesting of the 2021 TAM plc EMI Scheme

The EMI options granted in 2021 were based on a combination of targets for an adjusted fully diluted earnings per share ("EPS")[1] growth of 40% and a total shareholder return ("TSR") of 25% compound annual growth over a three-year period. The 2020 EMI scheme vested in July 2024 and the vesting outcome was 100% of the total options granted.

This resulted in 279,189 options vesting. During the year, 71,545 shares held by the Employee Benefit Trust were utilised by the Company to satisfy options that were exercised, with the remaining 211,501 options being unexercised as at 31 March 2025. The Company also utilised a further 122,115 shares from the Employee Benefit Trust during the year to satisfy the exercise of scheme options which vested in prior periods but that remained unexercised as at 31 March 2024.

1. Alternative performance measures are detailed in note 27.

Performance Conditions for Current EMI Schemes

Options granted under the EMI plan are only exercisable subject to the satisfaction of performance conditions that will determine the proportion of the option that will vest at the end of the three-year performance period. The performance conditions used in determining the number of options that will vest are detailed in the table below, with the three-year performance period commencing on 1 April in the year that the options have been granted.

PERFORMANCE CONDITION	WEIGHTING	VESTING CRITERIA
EPS	75% (2022) 100% (2023 and 2024)	13% straight-line growth results in 33% (or 25% from 2024) of the option, subject to the EPS measure vesting 40% straight-line growth results in 100% of the option, subject to the EPS measure vesting If the growth rate falls between the thresholds above, the proportion of options subject to the EPS measure that vest will be determined on a straight-line basis
TSR	25% (2022) 0% (2023 and 2024)	8.25% compound annual growth rate results in 33% of the option subject to the TSR measure vesting 20% compound annual growth rate results in 100% of the option subject to the TSR measure vesting If the compound annual growth rate falls between the thresholds above, the proportion of options subject to the TSR measure that vest will be determined on a straight-line basis

The Committee currently believes that these are fair and appropriate conditions for rewarding participants as they align their interests with those of shareholders and, being measured over a three-year period, align the reward with the Group's strategy for growth by encouraging longer-term profitable growth. When determining the adjusted EPS growth, the shares will be fully diluted and the impact of adjusted items as determined by the Board, see note 11, will be disregarded to ensure that they do not artificially impact the EPS measurement.

Directors' Interests in Share Options

Unexercised and outstanding share options granted to Executive Directors are as follows:

EXECUTIVE DIRECTORS	DATE OF GRANT	EXERCISE PRICE	AT 31 MARCH 2024 NUMBER	GRANTED IN THE YEAR NUMBER	EXERCISED IN THE YEAR NUMBER	LAPSED IN THE YEAR NUMBER	AT 31 MARCH 2025 NUMBER
Paul Hogarth	7 August 2018	£0.00	125,992	–	–	–	125,992
	28 July 2020	£0.00	169,864			–	169,864
	15 July 2021	£0.00	25,000	–	–	–	25,000
	25 July 2022	£0.00	30,000	–	–	–	30,000
	24 July 2023	£0.00	20,000	–	–	–	20,000
	3 February 2025	£0.00	–	110,887	–	–	110,887
Lothar Mentel	7 July 2017	£1.89	849,043	–	(60,000)	–	789,043
	7 August 2018	£0.00	197,000	–	–	–	197,000
	28 July 2020	£0.00	157,730	–	–	–	157,730
	15 July 2021	£0.00	25,000	–	–	–	25,000
	25 July 2022	£0.00	30,000	–	–	–	30,000
	24 July 2023	£0.00	20,000	–	–	–	20,000
	3 February 2025	£0.00	–	70,565	–	–	70,565
Paul Edwards	28 July 2020	£0.00	137,658	–	–	–	137,658
	15 July 2021	£0.00	25,000	–	–	–	25,000
	25 July 2022	£0.00	30,000	–	–	–	30,000
	24 July 2023	£0.00	20,000	–	–	–	20,000
	3 February 2025	£0.00	–	70,565	–	–	70,565
			1,862,287	**252,017**	**(60,000)**	**–**	**2,054,304**

Grant of Equity Share Options under the EMI Plan

As at 31 March 2025, the Company had granted options to certain of its Executive Directors and senior managers to acquire (in aggregate) up to 7.48% of its share capital, net of shares acquired by the Employee Benefit Trust ("EBT"). The 2017 EMI scheme had an exercise price equal to the market value of the shares at the date of grant, £1.89, with schemes in subsequent years having a £nil exercise price.

Terms of Awards

Options may be granted over newly issued shares, treasury shares or shares purchased in the market. To satisfy exercised options, shares may be purchased in the market or as new shares subscribed from the Company. At 31 March 2025, the Company held no shares in treasury (2024: nil), other than those held by the EBT to satisfy options awarded under share incentive schemes.

Unapproved Share Scheme

Options issued under the long-term incentives are intended to be qualifying options for EMI purposes. If they are not qualifying options (for example, because they exceed the statutory limit at the date of grant), then they will take effect as unapproved options, which cannot benefit from the preferential tax treatments afforded to options granted pursuant to an EMI scheme.

Malus and Clawback

The short-term cash bonuses for the Executive Directors are subject to formal malus and clawback mechanisms. Vested and unvested EMI plan awards are also subject to a formal malus and clawback mechanism.

Employee Benefit Trust ("EBT")

The Company's EBT was established for the benefit of the employees and former employees of the Group, and their dependants. The EBT may be used in conjunction with the EMI plan, where the Remuneration Committee decides at its discretion that it is appropriate to do so. The Company may provide funds to the trustee by way of a loan or gift, to enable the trustee to subscribe or purchase existing shares in the market in order to satisfy awards made under the EMI plan or the SAYE share option plan. During the year, the Company has made a gift of £0.050m to the EBT (2024: £3.347m). After the utilisation of the shares held by the EBT to satisfy the exercise of employee EMI options, the EBT held a total of 472,804 ordinary shares at 31 March 2025 (2024: 658,000), equating to 0.78% of the issued ordinary share capital of the Company (2024: 1.09%).

Directors' Interests

The beneficial interests of the Directors and their connected persons in the ordinary share capital of the Company at 31 March 2025 were as follows:

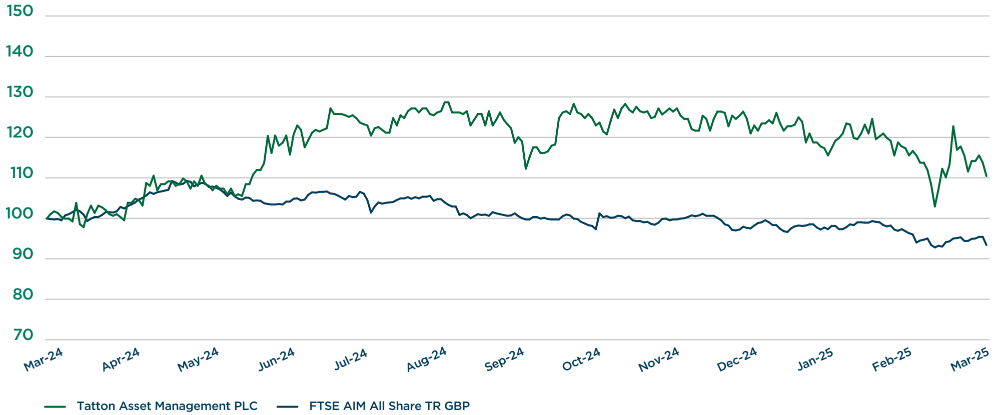
Paul Hogarth	9,136,663	15.09%
Lothar Mentel	1,170,233	1.93%
Paul Edwards	511,628	0.84%
Christopher Poil	173,205	0.29%
Roger Cornick	32,051	0.05%
Lesley Watt	2,325	0.00%

Total Shareholder Return from Admission on AIM to 31 March 2025

The Company's share price in the period from admission on AIM on 7 July 2017 to 31 March 2025 increased from £1.56 to £6.12 and market capitalisation grew from £87,215,720 to £370,559,146, with £51.6m returned to shareholders by way of dividends. The graph below shows the Company's TSR of 10.5% compared with the FTSE AIM All-Share Index total return of -6.5% in the twelve months to 31 March 2025. TSR is defined as share price growth plus reinvested dividends. The Directors consider the FTSE AIM All-Share Index to be the most appropriate index against which the TSR of the Company should be measured.

Total Return for Tatton Asset Management plc and the FTSE AIM All-Share index

TATTON ASSET MANAGEMENT PLC FTSE AIM ALL SHARE TR GBP



Source: Morningstar Direct, return rebased to 100 as at 01/04/2024.

Approval

This report, in its entirety, has been approved by the Remuneration Committee and signed on its behalf by:

CHRIS POIL
CHAIRMAN OF THE REMUNERATION COMMITTEE

The Directors are pleased to present their report, together with the audited consolidated financial statements for the year ended 31 March 2025.

Review of the Business and Future Developments

A review of the business and future developments can be found in the Chairman's Statement and the Chief Executive Officer's Review on pages 6 and 7, and pages 8 to 11, respectively.

Principal Activities

TAM plc is a holding company, the shares of which are listed on the AIM market of the London Stock Exchange, and it is domiciled and incorporated in the UK. It has three core operating subsidiaries within two core operating divisions, as follows:

SUBSIDIARY NAME	% OWNED BY THE COMPANY	PRINCIPAL ACTIVITIES OF THE SUBSIDIARY	OPERATING DIVISION
Tatton Investment Management Limited ("Tatton")	100%	Provides investment management for model portfolios and multi-manager funds	Tatton
Paradigm Partners Limited ("Paradigm Consulting" or "PPL")	100%	Provides compliance consultancy and technical support services to IFAs	Paradigm
Paradigm Mortgage Services LLP ("Paradigm Mortgages" or "PMS")	100%	Provides mortgage and insurance product distribution services	Paradigm

Results and Dividends

Group profit before tax was £21.596m (2024: £16.751m), an increase of 28.9% that was largely due to the growth in revenue in the year, with profit after tax increasing to £16.002m (2024: £12.921m). Adjusted operating profit[1] was £22.946m (2024: £18.514m), giving an adjusted operating profit[1] margin of 50.6% (2024: 50.3%). Operating profit after the effect of share-based payments, amortisation on acquisition-related intangible assets, changes in fair value of contingent consideration, operating loss due to non-controlling interest, and exceptional items is £20.686m (2024: £16.464m), at a margin of 45.7% (2024: 44.7%).

An interim dividend with respect to the period ended 30 September 2024 of £5,700,000 (9.5p per share) was paid to shareholders on 13 December 2024. The Directors recommend a final dividend of a further 9.5p per share, or £5,700,000. This has not been included within the Group financial statements as no obligation existed at 31 March 2025. If approved, the final dividend will be paid on 31 July 2025 to ordinary shareholders whose names are on the register at the close of business on 20 June 2025.

Dividend Policy

The Company operates a progressive dividend policy to grow dividends in line with the Group's adjusted earnings, with a target payout ratio in the region of 70% of annual adjusted fully diluted earnings per share[1].

The policy is intended to ensure that shareholders benefit from the growth of the Group, which aligns with the strategic objective of growing our dividend. The Board recognises the importance of dividends to shareholders and the benefit of providing sustainable shareholder returns. The target payout ratio has been adopted to provide sufficient flexibility for the Board to remunerate shareholders for their investment, whilst recognising that there may at times be a requirement to retain capital within the Group. In determining the level of dividend in any year, the Directors follow the dividend policy and also consider a number of other factors that influence the proposed dividend, including:

- the level of retained distributable reserves in the Company;
- the availability of cash resources;
- future cash commitments and investment plans, in line with the Company's strategic plan; and
- the impact of the decision on the Company's key stakeholders.

The Company's key stakeholders are shown on pages 50 and 51 and we have detailed how we engage with them and understand their issues and the impact of the decisions of management on them.

Share Capital

As at 31 March 2025, there were 60,548,880 fully paid ordinary shares of 20p, amounting to £12,109,776, an increase of £7,496 on the prior year due to the issue of shares upon the exercising of employee share options. Details of the issued share capital shown are in note 23 to the consolidated financial statements. The Company has one class of ordinary shares, which carry no right to fixed income. Each ordinary share carries the right to one vote at general meetings of the Company. There are no specific restrictions on the size of a holding or on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation, other than that certain restrictions may be imposed from time to time by laws and regulations pursuant to the Listing Rules of the Financial Conduct Authority ("FCA"), whereby certain Directors, Officers, and employees of the Group require the approval of the Group to deal in the ordinary shares of the Company. The Directors are not aware of any other agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

1. Alternative performance measures are detailed in note 27.

Significant Shareholders

At 2 May 2025, the Company had been notified of the following interests representing 3% or more of its issued share capital:

NAME	HOLDING	HOLDING %
Paul Hogarth and connected parties	9,136,663	15.09%
Funds and accounts under management by direct and indirect investment management subsidiaries of Blackrock, Inc.	6,930,845	11.45%
abrdn plc	5,584,418	9.22%
Liontrust Investment Partners LLP	5,400,400	8.92%
Rathbone Investment Management Limited	2,954,974	4.88%
Gresham House Asset Management Limited	2,411,610	3.98%
Aegon Asset Management Limited	1,977,551	3.27%

Share Options

Details of the options over the Company's shares under the Company's employee share plans are given in note 24 to the consolidated financial statements.

Purchase of Own Shares

At the 2024 AGM, the shareholders authorised the Company to buy back 10% of its own ordinary shares by market purchase at any time prior to the conclusion of the AGM to be held in 2025. The Company did not purchase any of its own shares during the financial year, other than through the EBT (note 24). The cost of shares purchased and held by the EBT is deducted from equity.

At the forthcoming AGM, the Directors will seek to extend the shareholders' approval for a further period until the conclusion of the AGM to be held in 2026, by way of special resolution for the grant of an authority for the Company to make market purchases of up to 10% of its own shares. The Directors consider that the grant of the power for the Company to make market purchases of the Company's shares would be beneficial for the Company and, accordingly, they recommend this special resolution to shareholders. The Directors would only exercise the authority sought if they believed that such a purchase was in the interests of shareholders generally. The minimum price to be paid will be the shares' nominal value of 20p and the maximum price will be no more than 5% above the average middle market quotations for the shares on the five days before the shares are purchased.

Takeover Directive

The Company has only one class of ordinary share and these shares have equal voting rights. The nature of individual Directors' holdings is disclosed on this page. There are no other significant holdings of any individual.

Board of Directors

The names of the present Directors and their biographical details are shown on pages 46 and 47. At the AGM, to be held on 24 July 2025, all non-retiring Executive and Non-Executive Directors will offer themselves for re-election.

Appointment and Replacement of Directors

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association (the "Articles"), the QCA Corporate Governance Code, the Companies Act 2006, and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of the Directors are described in the Articles, which can be found on the Group's website (www.tattonassetmanagement.com).

Directors' Interests

Directors' emoluments, interests in the shares of the Company, and options to acquire shares are disclosed in the Remuneration Committee Report on pages 68 to 72. Paul Hogarth is also the beneficial owner of Paradigm House, the Group's registered address and the trading premises of PPL.

Conflicts of Interest

There are procedures in place to deal with any Directors' conflicts of interest arising under section 175 of the Companies Act 2006.

Directors' Indemnity

All Directors and Officers of the Company have the benefit of the indemnity provision contained in the Company's Articles. The provision, which is a qualifying third party indemnity provision, was in force throughout the last financial year and is currently still in force. The Group also purchased and maintained, throughout the financial period, Directors' and Officers' liability insurance with respect to itself and its Directors and Officers, although no cover exists in the event that Directors or Officers are found to have acted fraudulently or dishonestly.

Principal Risks

A report on the principal risks, risk management, and internal controls can be found on pages 23 to 31.

Employees, Suppliers, Customers, and Other Stakeholders

The Group is committed to the principle of equal opportunities in employment and to ensuring that no applicant or employee receives less favourable treatment on the grounds of gender, marital status, age, race, colour, nationality, ethnic or national origin, religion, disability, sexuality, or unrelated criminal convictions.

The Group applies employment policies that are believed to be fair and equitable and that ensure that entry into, and progression within, the Group is determined solely by the application of job criteria and by personal ability and competency. The Group aims to give full and fair consideration to the possibility of employing disabled persons wherever suitable opportunities exist. Employees who become disabled are given every opportunity to continue their positions or be trained for other suitable positions. The Group provides a Group personal pension plan that is open to all employees. The Group operates an Enterprise Management Incentive scheme and a Group Sharesave scheme, details of which are provided in the Remuneration Committee Report and the financial statements. There is further information on the Group's employee engagement and how it fosters relationships with its key stakeholders, including suppliers, customers, and others on pages 50 and 51. Details of how the interests of stakeholders are considered in the Board's decision making can be found in the section 172 statement on pages 52 and 53.

Alternative Performance Measures

We use a number of performance measures to assist in presenting information in this statement in a way that can be easily analysed and understood. We use such measures consistently and reconcile them as appropriate, and they are used by management when evaluating performance. For more information, see pages 32 to 34, and notes 2.26 and 27.

Financial Instruments

The risk management objectives and policies of the Group are set out within note 22 of the financial statements.

Energy Consumption

Details of the Group's energy consumption and the measures taken to achieve energy efficiencies are provided on page 43 of the Strategic Report.

Political Donations

The Group made no political donations or contributions during the year (2024: £nil).

Annual General Meeting ("AGM")

The AGM of the Company will be held on 24 July 2025. A notice convening the meeting will be sent to shareholders on 23 June 2025.

Corporate Governance

A full review of corporate governance appears on pages 54 to 76.

Related parties

Details of related party transactions are given in note 26.

Post Balance Sheet Date Events

There have been no post balance sheet events.

Going Concern

The Board has reviewed detailed papers prepared by management that consider the Group's expected future profitability, dividend policy, capital position, and liquidity, both as they are expected to be and also under more stressed conditions. In doing so, the Directors have considered the current economic environment, with its high interest rates, high yet falling inflation, cost of living pressures, and the impact of climate change.

Whilst macroeconomic conditions and the impact of climate change may affect the Group, and are considered under the Group's principal risks, these are not considered to impact the going concern basis of the Group – the Board is satisfied that the business can operate successfully in these conditions but will continue to monitor developments in these areas. The Board uses the approved budget as its base case and then applies stress tests to this. In its stress tests, the Board has considered a significant reduction in equity market values, for example, if there was a repeat of the market impacts seen at the outbreak of COVID-19, or sudden and high volumes of outflows from AUM as a result of a reputational, regulatory, or performance issues. This would reduce revenue and profitability; however, the results of these tests show that there are still sufficient resources to continue as a going concern. There are not considered to be any plausible scenarios that would lead to the failure of the Company. The Board closely monitors KPIs and reports from management regarding investment performance, feedback from IFAs and key regulatory changes or issues. See pages 26 to 31 for details of mitigations of these principal risks. In addition, the Board has also considered the following:

Liquidity – The Group has a robust financial liquidity position, with £32.1m in cash at 31 March 2025 and £0.03m of bank loans in its subsidiary, Fintegrate Financial Solutions Limited, along with a highly efficient working capital cycle, with a strong operating cash conversion of 107.4% (this being the ratio of cash generated from operations to adjusted operating profit[1]), which ensures that the Group has high levels of liquidity to meet its liabilities.

Regulatory position – Management have confirmed that the Group continues to have significant headroom over its regulatory requirements, as detailed in note 3, meaning that the likelihood of regulatory restrictions impacting trading or financial performance remains low.

Having given due consideration to the risks, uncertainties, and contingencies disclosed in the financial statements and accompanying reports, the Directors believe that the business is well-placed to manage its business risk successfully and are satisfied that the Group has adequate resources to continue in operational existence for at least twelve months from the date that the financial statements are authorised for issue. Accordingly, the financial statements have been prepared on a going concern basis.

Auditor

Deloitte LLP was the Group's independent auditor during the year and has confirmed its willingness to continue in office. A resolution to reappoint Deloitte LLP as auditor to the Group and to authorise the Directors to set its remuneration will be proposed at the 2025 AGM.

Statement of Directors' Responsibilities/Disclosures to the Auditor

Each of the persons who are Directors at the date of approval of this report confirm that as far as the Directors are aware, there is no relevant information of which the Group's independent auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's independent auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with UK-adopted international accounting standards and applicable law and regulations. Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and have chosen to prepare the Company financial statements in accordance with UK accounting standards and applicable law, including the FRS 101 "Reduced Disclosure Framework". Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group and Company for that period.

In preparing the Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the Group's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and that enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and, hence, for taking reasonable steps regarding the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website, in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Each of the Directors, whose names and responsibilities are listed in the Corporate Governance report, confirms that, to the best of their knowledge:

- the financial statements have been prepared in accordance with the relevant financial reporting framework and give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Directors' Report has been approved and authorised for issue by the Board of Directors on 9 June 2025 and signed on its behalf by:

PAUL HOGARTH
CHIEF EXECUTIVE OFFICER

PAUL EDWARDS
CHIEF FINANCIAL OFFICER

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Tatton Asset Management plc (the "Company") and its subsidiaries (the "Group") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB");
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of total comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the related notes 1 to 30 to the consolidated financial statements;
- the Company statement of financial position;
- the Company statement of changes in equity; and
- the related notes 1 to 22 to the Company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the company for the year are disclosed in note 6 to the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matter	The key audit matter that we identified in the current year was: • Valuation of the investment in joint venture of 8AM Global Limited ("8AM") Within this report, the key audit matter is identified as follows: Similar level of risk
Materiality	The materiality that we used for the Group financial statements was £1,086,000 which was determined on the basis of approximately 5% of profit before tax.
Scoping	We have scoped in six components for procedures on one or more classes of transactions, account balances or disclosures that together represent 99% of the Group's revenue; 98% of the Group's profit before tax, and 85% of the Group's net assets.
Significant changes in our approach	There have been no significant changes to our approach from the prior year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- Understanding the entity's process for the preparation of the going concern assessment and any related controls;
- Evaluating management's assessment, identifying the assumptions, and testing the mechanical accuracy of the underlying forecast;
- Performing sensitivity analysis on the key assumptions applied to understand whether they could give rise to a material uncertainty on the use of the going concern basis;
- Checking consistency with the forecast assumptions applied in the going concern assessment across other forecasts within the Group; and
- Assessing the appropriateness of management's going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of the investment in joint venture of 8AM Global Limited

Key audit matter description	On 15 August 2022 the Group acquired 50% of the issued share capital of 8AM Global Limited, recognising £6.76m investment classified as a joint venture. Judgement is required as to whether any of the investments should be impaired based on the financial position and future prospects of the investments. In FY25, the Directors assessed the 8AM Global joint venture's valuation by determining the investment's recoverable amount and comparing this to the carrying value, which revealed sufficient headroom, thus no impairment was required. As of 31 March 2025, the investment's carrying value was £5.25m (2024: £5.35m). We have identified a key audit matter and a fraud risk in relation to the valuation of the investment in the joint venture of 8AM Global Limited. This is due to management internally deriving the estimates and applying significant judgement to the highly sensitive assumptions around the discounted cashflows used to assess the recoverability of the investment in the joint venture. The valuation is particularly sensitive to the growth rate and the discount rate assumptions applied to the forecasted cash flows. Therefore, there is potential risk of management bias in making these assumptions. The accounting policies adopted by the Group have been disclosed within note 2.13 to the financial statements and valuation of the investments in joint ventures has been identified as a key source of estimation uncertainty, disclosed within note 2.24.

How the scope of our audit responded to the key audit matter	To address the risk in valuation of the investment in joint venture of 8AM Global Limited key audit matter, we have: • Obtained an understanding of relevant key controls related to the valuation assessment of the investment in the joint venture; • Assessed the reasonableness of management's paper prepared for the valuation assessment in relation to the investment in joint venture; • With the involvement of our valuation specialists, we assessed the discount rate and growth rates used in the valuation assessment and then evaluated whether these were appropriately applied to management's cash flow assumptions; • Assessed whether the accounting treatment was in compliance with IAS 36 – Impairment of Assets and IAS 28 — Investments in Associates and Joint Ventures; • Tested management's discounted cash flow model for mechanical accuracy; and • We have also assessed the appropriateness of the disclosures within the financial statement to determine whether all required information has been disclosed for the investment in joint venture of 8AM.
Key observations	We concluded that management's approach and valuation of the investment in the joint venture was appropriate and that the carrying value of the investment in joint venture of 8AM Global Limited as of 31 March 2025 is not materially misstated.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	GROUP FINANCIAL STATEMENTS	COMPANY FINANCIAL STATEMENTS
Materiality	£1,086,000 (2024: £840,000)	£760,000 (2024: £672,000)
Basis for determining materiality	Approximately 5% of profit before tax (2024: 5% of profit before tax)	For the purpose of our opinion on the Company financial statements materiality has been set at 0.7% (2024: 1.5%) of total assets. The performance materiality applied to the Company for the purposes of the group audit opinion is discussed in section 7.1.
Rationale for the benchmark applied	We have determined materiality based on profit before tax as it is a profit driven business, therefore is considered the most relevant benchmark for users of the financial statements.	The main operation of the Company is to hold investments in the subsidiaries. We have therefore selected total assets as the benchmark for determining materiality.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	GROUP FINANCIAL STATEMENTS	COMPANY FINANCIAL STATEMENTS
Performance materiality	70% (2024: 70%) of Group materiality	70% (2024: 70%) of Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • Our understanding of the entity and its environment; • Our risk assessment, including our assessment of the quality of Group's overall control environment and whether we were able to rely on controls; and • Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £54,300 (2024: £42,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The Group prepares a single consolidation of its components. Audit work to respond to the risks of material misstatement was performed directly by the Group audit engagement team. We obtained an understanding of the environment, including Group-wide controls, implemented a risk-based approach by developing an appropriate audit plan for each significant account balance, and assessed the risks of material misstatement at the Group level.

Through our scoping assessment, we have identified six components, which consist of three main trading subsidiaries: Tatton Investment Management Limited, Paradigm Partners Limited and Paradigm Mortgage Services LLP. The remaining entities are three holding entities, of which one is the Company. For the six components identified, we have audited the entire financial information of these entities. We further performed specified audit procedures of the revenue balances within Tatton Oak Limited and Sinfonia Asset Management Limited. We performed analytical procedures on other balances.

For the Company component, we applied a component performance materiality equal to £532,140; for the other components, we used individual component performance materiality levels determined on the basis of their individual financial statements, which ranged from £57,400 to £722,190.

We have scoped in components for procedures on one or more classes of transactions, account balances or disclosures that together represent 99% of the Group's revenue; 98% of the Group's profit before tax, and 85% of the Group's net assets.

7.2. Our consideration of the control environment

The key IT system relevant to the audit was the financial accounting system as this is integral to the accounting records maintained by the Group. With the involvement of our IT specialists we obtained an understanding of the control environment and related controls during the year. We have not relied upon any controls associated with this system as its operation involves a high degree of manual intervention.

We obtained an understanding of relevant controls in place for financial reporting process and valuation of the investment in joint venture of 8AM Global Limited. We have also obtained an understanding of relevant controls in relation to investment wrap service-related revenue and mortgage commissions; however, we have not taken a controls reliance approach.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements. The Group continues to develop its assessment of the potential impacts of environmental, social and governance ("ESG") related risks, including climate change, as outlined in the Strategic Report on pages 26 to 31.

As a part of our audit, we have obtained an understanding of management's process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. We performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions and did not identify any additional risks of material misstatement. We read the Strategic Report to consider whether the climate related disclosures are materially consistent with the financial statements and our knowledge obtained in the audit. Directors have assessed that there is currently no material impact arising from climate change on the judgements and estimates determining the valuations within the financial statements. This is disclosed in Note 2.22 to the financial statements. We have also evaluated the appropriateness of disclosures included in the financial statements.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, IT and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of the investment in joint venture of 8AM Global Limited. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the FCA regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of the investment in joint venture of 8AM Global Limited as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and external legal counsel concerning actual and potential litigation and claims.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC and the FCA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

NICK GRAHAM

For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom

9 June 2025

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Revenue	5	**45,309**	36,807
Share of loss from joint ventures	14	**(148)**	(1,188)
Administrative expenses		**(24,475)**	(19,155)
Operating profit	6	**20,686**	16,464
• Share-based payment charges	7	**1,503**	1,458
• Amortisation of acquisition-related intangible assets	7	**657**	633
• Operating loss relating to non-controlling interest	7	**100**	59
• Gain arising on changes in fair value of contingent consideration	7	**-**	(1,350)
• Exceptional items	7	**-**	1,250
Adjusted operating profit[1]		**22,946**	18,514
Finance income	8	**1,033**	640
Finance costs	9	**(123)**	(353)
Profit before tax		**21,596**	16,751
Taxation charge	10	**(5,594)**	(3,830)
Profit and total comprehensive income for the financial year		**16,002**	12,921
Profit and total comprehensive income attributable to owners of the Parent Company		**16,141**	12,986
Profit and total comprehensive income attributable to non-controlling interests		**(139)**	(65)

Earnings per share – Basic	11	**26.43p**	21.39p
Earnings per share – Diluted	11	**26.21p**	21.02p
Adjusted earnings per share – Basic[1]	11	**29.42p**	23.73p
Adjusted earnings per share – Diluted[1]	11	**29.17p**	23.32p
Adjusted earnings per share – Fully diluted[1]	11	**28.65p**	22.91p

1. See note 27.

All revenue, profit, and earnings are with respect to continuing operations.

There were no other recognised gains or losses other than those recorded above in the current or prior year; therefore, a Statement of Other Comprehensive Income has not been presented.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Non-current assets			
Investments in joint ventures	14	**5,256**	5,352
Goodwill	15	**9,796**	9,796
Intangible assets	16	**3,493**	3,686
Property, plant and equipment	17	**932**	816
Deferred tax assets	20	**2,883**	2,571
Other receivables	18	**–**	188
Total non-current assets		**22,360**	22,409
Current assets			
Trade and other receivables	18	**6,538**	5,108
Financial assets at fair value through profit or loss	22	**1,133**	106
Corporation tax		**291**	–
Cash and cash equivalents		**32,119**	24,838
Total current assets		**40,081**	30,052
Total assets		**62,441**	52,461
Current liabilities			
Trade and other payables	19	**(11,232)**	(8,109)
Corporation tax		**–**	(2)
Total current liabilities		**(11,232)**	(8,111)
Non-current liabilities			
Other payables	19	**(657)**	(1,016)
Total non-current liabilities		**(657)**	(1,016)
Total liabilities		**(11,889)**	(9,127)
Net assets		**50,552**	43,334

	NOTE	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Equity			
Share capital	23	**12,110**	12,102
Share premium account		**15,614**	15,487
Own shares	24	**(2,363)**	(3,278)
Other reserve		**2,041**	2,041
Merger reserve		**(28,968)**	(28,968)
Retained earnings		**52,156**	45,892
Equity attributable to owners of the Parent Company		**50,590**	43,276
Non-controlling interest		**(38)**	58
Total equity		**50,552**	43,334

The financial statements were authorised and approved by the Board of Directors on 9 June 2025 and were signed on its behalf by:

PAUL EDWARDS
DIRECTOR

Company registration number: 10634323

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	SHARE CAPITAL (£'000)	SHARE PREMIUM (£'000)	OWN SHARES (£'000)	OTHER RESERVE (£'000)	MERGER RESERVE (£'000)	RETAINED EARNINGS (£'000)	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS (£'000)	NON-CONTROLLING INTEREST (£'000)	TOTAL EQUITY (£'000)
At 1 April 2023		12,011	15,259	–	2,041	(28,968)	41,438	41,781	–	41,781
Profit and total comprehensive income		–	–	–	–	–	12,986	12,986	(65)	12,921
Acquisition of a subsidiary		–	–	–	–	–	–	–	123	123
Dividends	12		–	–	–	–	(10,846)	(10,846)	–	(10,846)
Share-based payments	25	–	–	–	–	–	980	980	–	980
Deferred tax on share-based payments	20	–	–	–	–	–	760	760	–	760
Current tax on share-based payments	10	–	–	–	–	–	643	643	–	643
Issue of share capital on exercise of employee share options		91	228	–	–	–	–	319	–	319
Own shares acquired in the year	24	–	–	(3,347)	–	–	–	(3,347)	–	(3,347)
Own shares utilised on exercise of options	24	–	–	69	–	–	(69)	–	–	–
At 31 March 2024		**12,102**	**15,487**	**(3,278)**	**2,041**	**(28,968)**	**45,892**	**43,276**	**58**	**43,334**
Profit and total comprehensive income		**–**	**–**	**–**	**–**	**–**	**16,141**	**16,141**	**(139)**	**16,002**
Dividends	12	**–**	**–**	**–**	**–**	**–**	**(10,440)**	**(10,440)**	**–**	**(10,440)**
Share-based payments	25	**–**	**–**	**–**	**–**	**–**	**1,160**	**1,160**	**50**	**1,210**
Deferred tax on share-based payments	20	**–**	**–**	**–**	**–**	**–**	**203**	**203**	**–**	**203**
Current tax on share-based payments	10	**–**	**–**	**–**	**–**	**–**	**158**	**158**	**–**	**158**
Issue of share capital on exercise of employee share options		**8**	**127**	**–**	**–**	**–**	**–**	**135**	**–**	**135**
Own shares acquired in the year	24	**–**	**–**	**(50)**	**–**	**–**	**–**	**(50)**	**–**	**(50)**
Own shares utilised on exercise of options	24	**–**	**–**	**965**	**–**	**–**	**(965)**	**–**	**–**	**–**
Change in non-controlling interest		**–**	**–**	**–**	**–**	**–**	**7**	**7**	**(7)**	**–**
At 31 March 2025		**12,110**	**15,614**	**(2,363)**	**2,041**	**(28,968)**	**52,156**	**50,590**	**(38)**	**50,552**

The other reserve and merger reserve were created on 19 June 2017 when the Group was formed. The other reserve comprises the profits of the Group entities prior to the merger, and the merger reserve is the difference between the Company's capital and the acquired Group's capital, which has been recognised as a component of equity. The merger reserve was created through merger accounting principles on the share for share exchange on the formation of the Group. Both the other reserve and the merger reserve are non-distributable.

During the year, the Group's investment in Fintegrate Financial Solutions Limited changed from 56.49% to 53.36%.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	NOTES	**31-MAR 2025 (£'000)**	31-MAR 2024 (£'000)
Operating activities			
Profit for the year		**16,002**	12,921
Adjustments:			
Income tax expense	10	**5,594**	3,830
Finance income	8	**(1,033)**	(640)
Finance costs	9	**123**	353
Depreciation of property, plant and equipment	17	**291**	375
Amortisation of intangible assets	16	**630**	543
Share-based payment expense	25	**1,413**	1,236
Fair value gains on financial assets at fair value through profit or loss		**(27)**	-
Post-tax share of loss of joint venture less amortisation and impairment loss	14	**148**	1,188
Changes in fair value of contingent consideration	7	**-**	(1,350)
Changes in:			
Trade and other receivables		**(1,241)**	(1,576)
Trade and other payables		**2,741**	50
Cash generated from operations		**24,641**	16,930
Income tax paid		**(5,889)**	(3,740)
Net cash from operating activities		**18,752**	13,190

	NOTES	**31-MAR 2025 (£'000)**	31-MAR 2024 (£'000)
Investing activities			
Payment for the acquisition of a business combination or joint venture, net of cash acquired		**-**	(254)
Dividends received from joint venture		**-**	255
Purchase of financial assets at fair value through profit or loss	22	**(1,000)**	-
Purchase of intangible assets	16	**(437)**	(249)
Purchase of property, plant and equipment	17	**(68)**	(115)
Interest received	8	**1,033**	640
Payment of contingent consideration	22	**(530)**	(937)
Net cash used in investing activities		**(1,002)**	(660)
Financing activities			
Interest paid		**-**	(63)
Dividends paid	12	**(10,440)**	(10,846)
Proceeds from the issue of shares		**135**	249
Proceeds from the exercise of options		**125**	-
Purchase of own shares	24	**(50)**	(3,278)
Repayment of loan liabilities	21	**(23)**	(18)
Repayment of lease liabilities	21	**(216)**	(230)
Net cash used in financing activities		**(10,469)**	(14,186)
Net increase/(decrease) in cash and cash equivalents		**7,281**	(1,656)
Cash and cash equivalents at the beginning of the period		**24,838**	26,494
Cash and cash equivalents at the end of the period		**32,119**	24,838

1 | General information

Tatton Asset Management plc (the "Company") is a public company limited by shares. The address of the registered office is Paradigm House, Brooke Court, Lower Meadow Road, Wilmslow, SK9 3ND. The registered number is 10634323.

The Group comprises the Company and its subsidiaries. The Group's principal activities are discretionary fund management, the provision of compliance and support services to independent financial advisers ("IFAs"), the provision of mortgage adviser support services, and the marketing and promotion of multi-manager funds.

News updates, regulatory news, and financial statements can be viewed and downloaded from the Group's website, www.tattonassetmanagement.com. Copies can also be requested from: The Company Secretary, Tatton Asset Management plc, Paradigm House, Brooke Court, Lower Meadow Road, Wilmslow, SK9 3ND.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own income statement.

2 | Material accounting policies

The principal accounting policies applied in the presentation of the annual financial statements are set out below. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the consolidated financial statements.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Board ("IASB") and the Companies Act 2006. The financial statements of the Company have been prepared in accordance with UK Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

The consolidated financial statements have been prepared on a going concern basis and prepared on a historical cost basis, except for financial assets and financial liabilities measured at fair value. The consolidated financial statements are presented in sterling and have been rounded to the nearest thousand (£'000). The functional currency of the Company is sterling, as this is the currency of the jurisdiction wherein all of the Group's sales are made.

The preparation of financial information in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event, or actions, actual events may ultimately differ from those estimates.

2.2 Going concern

The Board has reviewed detailed papers prepared by management that consider the Group's expected future profitability, dividend policy, capital position, and liquidity, both as they are expected to be and also under more stressed conditions. In doing so, the Directors have considered the current economic environment, with its high interest rates, high yet falling inflation, cost of living pressures, and the impact of climate change.

Whilst macroeconomic conditions and the impact of climate change may affect the Group, and are considered under the Group's principal risks, these are not considered to impact the going concern basis of the Group – the Board is satisfied that the business can operate successfully in these conditions but will continue to monitor developments in these areas. The Board uses the approved budget as its base case and then applies stress tests to this. In its stress tests, the Board has considered a significant reduction in equity market values, for example, if there was a repeat of the market impacts seen at the outbreak of COVID-19, or sudden and high volumes of outflows from AUM as a result of a reputational, regulatory, or performance issues. This would reduce revenue and profitability; however, the results of these tests show that there are still sufficient resources to continue as a going concern. There are not considered to be any plausible scenarios that would lead to the failure of the Company. The Board closely monitors KPIs and reports from management around investment performance, feedback from IFAs, and key regulatory changes or issues. See more information in the Directors' Report on pages 73 to 76. Accordingly, the Directors continue to adopt the going concern basis when preparing these financial statements.

2.3 Basis of consolidation

The Group's financial statements consolidate those of the Company and entities controlled by the Company (its subsidiaries) as at 31 March 2025. The Company controls a subsidiary if it has power over the investee, is exposed to, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

All subsidiaries have a reporting date of 31 March, with the exception of Fintegrate Financial Solutions Limited, which has a reporting date of 30 June. In the case of joint ventures, those entities are presented as a single line item in the Consolidated Statement of Total Comprehensive Income and the Consolidated Statement of Financial Position.

2 | Material accounting policies continued

2.3 Basis of consolidation continued

All transactions between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-Group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition (when control is obtained), up to the effective date of disposal (when control of the subsidiary ceases), as applicable.

2.4 Adoption of new and revised standards

New and amended IFRS Standards that are effective for the current year

- Amendment to IFRS 16 ‘Lease Liability in a Sale and Leaseback’
- Amendment to IAS 1 ‘Classification of Liabilities as Current or Non-current’
- Amendments to IAS 1 ‘Non-current Liabilities with Covenants’
- Amendments to IAS 7 and IFRS 7 ‘Supplier Finance Arrangements’

The Directors adopted the new or revised Standards listed above, but they have had no material impact on the financial statements of the Group.

Standards in issue but not yet effective

The following IFRS and IFRIC interpretations have been issued but have not been applied by the Group in preparing these financial statements, as they are not yet effective. The Group intends to adopt these Standards and Interpretations when they become effective, rather than adopting them early.

Effective date periods beginning 1 January 2025 or later

- IFRS S1 ‘General Requirements for Disclosure of Sustainability-related Financial Information’ and IFRS S2 ‘Climate-related Disclosures’
- Amendments to IAS 21 ‘Lack of Exchangeability’
- IFRS 18 ‘Presentation and Disclosure in Financial Statements’
- Amendments to the ‘Classification and Measurement of Financial Instruments’ (Amendments to IFRS 9 ‘Financial Instruments’ and IFRS 7 ‘Financial Instruments: Disclosures’)
- IFRS19 ‘Subsidiaries without Public Accountability: Disclosures’
- IFRS9 and IFRS 7 ‘Contracts Referencing Nature-dependent Electricity’

With the exception of the adoption of IFRS 18, the adoption of the above standards and interpretations is not expected to lead to any changes to the Group’s accounting policies, nor to have any other material impact on the financial position or performance of the Group. The impact of IFRS 18 on the Group is currently being assessed and it is not yet practicable to quantify the effect of this standard on these consolidated financial statements; however, there is no impact on presentation for the Group in the current year, given the effective date – this will be applicable for the Group’s 2027/28 Annual Report.

2.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT, and other sales-related taxes. Revenue is recognised when control is transferred and the performance obligations are considered to be met.

The Group’s revenue is made up of the following principal revenue streams:

- Fees for discretionary fund management services in relation to on-platform investment assets under management (“AUM”). Revenue is recognised daily, based on the AUM, on a continuous basis over the period in which the related service is provided.
- Fees charged to IFAs for compliance consultancy services, which are recognised when performance obligations are met. Membership services include support and software income that is recognised on an over-time basis in line with access to the services. Membership services also includes specific services, such as regulatory visits and learning and development, and revenue is recognised in line with the service to the customer, at the point the service is provided.
- Fees for providing investment platform services. Revenue is recognised on a daily basis, in line with the satisfaction of performance obligations, on the assets under administration held on the relevant investment platform.
- Fees for mortgage-related services, including commissions from mortgage and other product providers and referral fees from strategic partners. Commission is recognised at a point in time when commission is approved for payment by the lender, which is the point at which all performance obligations have been met.
- Fees for marketing services provided to providers of mortgage and investment products, which are recognised in line with the service provided to the customer.

Contract assets

A contract asset is initially recognised for revenue earned from services for which the receipt of consideration is conditional on the successful completion of the service and performance obligation. Upon completion of the service, the amount recognised as accrued income is reclassified to trade receivables. Contract assets are stated at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts and are presented as Accrued income in the notes to the financial statements.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as deferred income until the Group delivers the performance obligations under the contract (i.e., transfers control of the related goods or services to the customer), at which point revenue is recognised in line with the delivery of the performance obligation.

2 | Material accounting policies continued

2.6 Interest income and interest expense

Finance income is recognised as interest accrued (using the effective interest method) and includes interest receivable on the Group's cash and cash equivalents and on funds invested outside the Group. Interest received is recognised as a cash flow from investing activities in the Consolidated Statement of Cash Flows.

Finance expense comprises the unwinding of discounts on contingent consideration and interest incurred on lease liabilities recognised under IFRS 16. Finance costs are recognised in the Consolidated Statement of Total Comprehensive Income using the effective interest rate method. Interest paid is recognised as a cash flow from financing activities in the Consolidated Statement of Cash Flows.

2.7 Separately disclosed items

Separately disclosed items may include Exceptional items as detailed below, but may also include other items that meet at least one of the following criteria:

- It is a significant item, which may cross more than one accounting period;
- It is a significant non-cash item, including share-based payment charges;
- It has been directly incurred as a result of either an acquisition or divestiture, including amortisation of acquisition-related intangible assets or fair value changes of contingent consideration;
- It is unusual in nature, e.g. outside of the normal course of business; or
- The operating profit/(loss) relating to non-controlling interest is also removed, to reflect the adjusted operating profit attributable to the Company's shareholders.

The Board exercises judgement as to whether the item should be classified as an adjusting item within Separately disclosed items. Separately disclosed items are shown separately on the face of the Statement of Total Comprehensive Income and included within Administrative expenses or, in the case of amortisation on intangible assets relating to a joint venture, the cost is included within Share of profit/(loss) from joint ventures. Although some of these items may recur from one period to the next, operating profit has been adjusted for these items on a consistent basis to provide additional helpful information and enable an alternative comparison of performance over time. The alternative performance measures ("APMs") disclosed in note 27 are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these measures are also used for the purpose of setting remuneration targets.

2.8 Exceptional items

Exceptional items are disclosed and described separately in the financial statements to provide further information on items that are one-off and are material in size or nature and so are shown separately, due to the significance of their nature and amount. This includes items that are incremental to normal operations, such as costs relating to an acquisition, disposal, integration, or impairment losses; these do not reflect the business's trading performance and so are adjusted to ensure consistency between periods.

2.9 Goodwill and intangible assets

Goodwill from a business combination is initially recognised and measured as set out in note 2.12. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") (or groups of CGUs) expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Following initial recognition, intangible assets are held at cost less any accumulated amortisation and any provision for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (CGUs).

2 | Material accounting policies continued

2.9 Goodwill and intangible assets continued

Intangible assets acquired separately are measured on initial recognition at cost. Any computer software licences acquired are capitalised at the cost incurred to bring the software into use, and are amortised on a straight-line basis over their estimated useful lives, which are estimated as being five years. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Costs associated with developing or maintaining computer software programs that do not meet the capitalisation criteria under IAS 38 are recognised as an expense as incurred.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, the client relationship intangible assets, brand intangible assets, and acquired software have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over their useful lives, estimated for all asset classes as of 10 years.

Gains and losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying value of the asset. The difference is then recognised in the income statement.

An assessment is made at each reporting date as to whether there is any indication that an asset in use may be impaired. If any such indication exists and the carrying values exceed the estimated recoverable amount at that time, the assets are written down to their recoverable amount. The recoverable amount is measured as the greater of fair value less costs to sell and value in use. Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment at each Statement of Financial Position date and whenever there is an indication at the end of a reporting period that the asset may be impaired. Assets subject to depreciation and amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Where the asset does not generate cash flows that are independent of other assets, the Group estimates the recoverable amount of each cash-generating unit ("CGU") to which the asset belongs. Impairment losses on previously revalued assets are recognised against the revaluation reserve as far as this reserve relates to previous revaluations of the same assets. Other impairment losses are recognised in the Statement of Total Comprehensive Income, based on the amount by which the carrying value of an asset or CGU exceeds its recoverable amount. The recoverable amount is the higher of the fair value less the costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Impairment losses recognised with respect to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of other assets in the unit on a pro rata basis.

Where an impairment loss on intangible assets, excluding goodwill, subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss that has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

2.11 Property, plant and equipment

Property, plant and equipment assets are stated at cost, net of accumulated depreciation and accumulated provision for impairment. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Principal annual rates are as follows:

- computer, office equipment and motor vehicles – 20–33% straight-line; and
- fixtures and fittings – 20% straight-line.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2 | Material accounting policies continued

2.11 Property, plant and equipment continued

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the Statement of Total Comprehensive Income.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

2.12 Business combinations

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that: deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 'Income Taxes' and IAS 19 'Employee Benefits' respectively; liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 'Share-based payments' at the acquisition date (see below); and assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and is included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The payment of contingent consideration will be treated as an investing cash flow of the Group.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Any other contingent consideration is remeasured to fair value at subsequent reporting dates, with changes in fair value recognised in profit or loss. The unwinding of the discount rate where contingent consideration is discounted is recognised as a finance cost in the Statement of Comprehensive Income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised to reflect new information obtained about the facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognised as of that date.

2.13 Joint ventures

Joint ventures are entities in which the Company has an investment where it, along with one or more other shareholders, has contractually agreed to share control of the business and where decisions over the relevant activities require the unanimous consent of the joint partners. The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, the Company initially records the investment in the Consolidated Statement of Financial Position at the fair value of the purchase consideration (cost) and adjusted thereafter to recognise the Company's share of the entity's profit or loss after tax and amortisation of intangible assets.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. The Statement of Financial Position, therefore, subsequently records the Company's share of the net assets of the entity, plus any goodwill and intangible assets that arose on purchase, less subsequent amortisation. The Statement of Changes in Equity records the Company's share of other equity movements of the entity. At each reporting date, the Company applies judgement to determine whether there is any indication that the carrying value of joint ventures may be impaired.

2 | Material accounting policies continued

2.13 Joint ventures continued

If there is objective evidence that the Group's net investment in a joint venture is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment, in accordance with IAS 36, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised, in accordance with IAS 36, to the extent that the recoverable amount of the investment subsequently increases. The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture.

2.14 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease given in IFRS 16.

The Group recognises a right-of-use ("ROU") asset and a lease liability at the commencement date of the lease, with the exception of short-term leases (defined as leases with a lease term of twelve months or less). The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The ROU assets are subsequently depreciated on a straight-line basis over the shorter of the expected life of the asset and the lease term, adjusted for any remeasurements of the lease liability. At the end of each reporting period, the ROU assets are assessed for indicators of impairment in accordance with IAS 36.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The incremental borrowing rate is determined, where possible, by using recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received. The incremental borrowing rate depends on the term, country, currency, and security of the lease, and also the start date of the lease.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently measured by adjusting the carrying amount to reflect the interest charge, the lease payments made, and any reassessment or lease modifications. The lease liability is remeasured if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

Where the Group is an intermediate lessor in a sub-lease, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits held with banks by the Group. Cash equivalents are short-term (generally with an original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the Consolidated Statement of Cash Flows. At 31 March 2025, there were no balances drawn down on bank overdrafts (2024: nil).

2 | Material accounting policies continued

2.16 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract with terms that require delivery of the financial asset within a timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss.

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and bank balances, and trade and other payables.

Financial investments

Financial investments are classified as fair value through profit or loss ("FVTPL") if they do not meet the criteria of fair value through other comprehensive income ("FVOCI") or amortised cost. They are also classified as FVTPL if they are either held for trading or specifically designated in this category on initial recognition. Assets in this category are initially recognised at fair value and subsequently remeasured, with gains or losses arising from changes in fair value being recognised in the Statement of Comprehensive Income.

The Group's financial investments include investments in a regulated open-ended investment company that is managed and evaluated on a fair value basis in line with the market value. These financial assets do not meet the criteria of FVOCI or amortised cost as the asset is not held to collect contractual cash flows and/or selling financial assets, and the asset's contractual cash flows do not represent solely payments of principal and interest ("SPPI").

Trade receivables

Trade receivables do not carry interest and are stated at amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts. They are recognised when the Group's right to consideration is only conditional on the passage of time. The financial assets are held in order to collect the contractual cash flows and those cash flows are payments of interest and principal only.

Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses that uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has, therefore, concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of twelve months before 31 March 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No impairment has been recognised in the year (2024: £nil).

The Group applies the IFRS 9 standard approach to measuring expected credit losses for other receivables. To measure the lifetime expected credit losses, the group has considered the probability of default, level of exposure, the age of the asset, collateral, and the wider macroenvironment. No impairment has been recognised in the year (2024: £nil).

Trade and other payables

Trade and other payables, except for those which are financial liabilities at FVTPL, are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, where applicable or required. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period, which are unpaid.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL. Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

2.17 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes those items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

2 | Material accounting policies continued

2.17 Taxation continued

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary difference and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the Statement of Financial Position date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.18 Retirement benefit costs

The Group pays into personal pension plans for which the amount charged to income with respect to pension costs and other post-retirement benefits is the amount of the contributions payable in the year. Payments to defined contribution retirement benefit scheme are recognised as an expense when employees have rendered service entitling them to the contributions. Differences between contributions payable and paid are accrued or prepaid. The assets of the plans are invested and managed independently of the finances of the Group.

2.19 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued. Retained earnings include all current and prior periods' retained profits or losses.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved at a general meeting prior to the reporting date.

2.20 Employee Benefit Trust

The Company provides finance to the EBT to purchase the Company's shares on the open market, in order to meet its obligation to provide shares when an employee exercises awards made under the Group's share-based payment schemes. Administration costs connected with the EBT are charged to the Statement of Comprehensive Income.

The cost of shares purchased and held by the EBT is deducted from equity in the Company and the Group. The assets held by the EBT are consolidated into the Group's financial statements. Any consideration paid or received for the purchase or sale of these shares is shown as a reduction in the reconciliation of movements in shareholders' funds. No gain or loss is recognised in the Statement of Other Comprehensive Income on the purchase, sale, issue, or cancellation of these shares.

2 | Material accounting policies continued

2.21 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss ,such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves. Fair value is measured by use of the Black–Scholes model or Monte Carlo model, as appropriate.

2.22 Climate change

The Group is continually developing its assessment of the impact that climate change has on the assets and liabilities recognised and presented in its financial statements. The potential impact of climate change on the Group's AUM and future net operating revenue generation is considered in the Principal Risks section of this Annual Report and Accounts. These considerations did not have a material impact on the financial reporting judgements and estimates in the current year. This reflects the conclusion that climate change is not expected to have a significant impact on the Group's short-term cash flows, including those considered in the going concern and viability assessments.

2.23 Operating segments

The Board is considered to be the chief operating decision maker ("CODM"). The Group comprises two operating segments, which are defined by trading activity:

- Tatton – investment management services
- Paradigm – the provision of compliance and support services to IFAs and mortgage advisers

Some centrally incurred overhead costs are allocated to the Tatton and Paradigm divisions on an appropriate pro rata basis. There remain central overhead costs within the Operating Group that have not been allocated to the Tatton and Paradigm divisions, which are classified as 'Unallocated' within note 4.

2.24 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described above, management have made judgements and estimations about the future that have an effect on the amounts recognised in the financial statements. The 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. Changes for accounting estimates would be accounted for prospectively under IAS 8.

Investments in joint ventures

Estimation uncertainty

Impairment of investments in joint ventures

Imp airment exists when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and where that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. The entire carrying amount of the investment is tested for impairment, in accordance with IAS 36, as a single asset, by comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount.

For the purposes of impairment testing, the recoverable amount of the investment in the joint venture, 8AM, has been determined based on value in use calculations using a discounted cash flow model that requires the use of assumptions. The pre-tax discount rate applied to the cash flow forecasts is derived from a weighted average cost of capital model, the inputs for which are externally available. The pre-tax discount rate used to calculate value is 16.9% (2024: 16.3%). The model assesses sensitivity to operating margins, discount rates, and AUM growth rates. The results of the calculation indicate no impairment. In the previous year, an impairment charge of £1,250,000 was been recognised in the Statement of Total Comprehensive Income in the financial year.

The Group has conducted an analysis of the sensitivity to changes in the key assumptions used to determine amount and timing of cash flows, including:

- a reduction in growth rate;
- a reduction in the terminal growth rate; and
- an increase in the discount rate.

Reducing forecast growth rates for the five year forecast period reduces headroom above the threshold for impairment by c.£475,000 for every 5% reduction in growth. Reducing the terminal growth rate to 0% would reduce headroom above the threshold for impairment by c.£355,000. Increasing the discount rate would reduce headroom above the threshold for impairment by c.£520,000 for every 1% increase in discount rate.

2 | Material accounting policies continued

2.24 Critical accounting judgements and key sources of estimation uncertainty continued

Business combinations

Critical judgement

Client relationships, brand, and software intangibles purchased through corporate transactions

When the Group purchases client relationships, brands, and software through transactions with other corporate entities, a judgement is made as to the identification of the intangible asset and whether the transaction should be accounted for as a business combination or as a separate purchase of intangible assets. In making this judgement, the Group assesses the assets, liabilities, operations, and processes that were the subject of the transaction against the definition of a business combination in IFRS 3. For a business combination, it is determined whether all elements of a business in IFRS 3 have been met; in particular, consideration is given to the inputs, processes, and outputs, and that there is, at least, an input and a substantive process that together significantly contribute to the ability to create output. It has also been considered whether the integrated set of activities is capable of being conducted and managed as a business by a market participant, and a judgement made as to whether the acquired process is substantive. If the acquisition is not deemed to be a business, it is treated as an acquisition of an asset or a group of assets.

There are no other judgements or assumptions made about the future, or about any other major sources of estimation uncertainty at the end of the reporting period, which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.25 Other estimates

Estimation uncertainty

Share-based payments

Given the significance of share-based payments as a form of employee remuneration for the Group, management are providing additional information on the estimates involved in the accounting for share-based payments. This is not considered to be a key source of estimation uncertainty, given the materiality of the impact that changes in estimates have and as a result of the changes in estimates not impacting the carrying amount of an asset or liability in the balance sheet. The principal estimations relate to:

- forfeitures (where awardees leave the Group as 'bad' leavers and, therefore, forfeit unvested awards); and
- the satisfaction of performance obligations attached to certain awards.

These estimates are reviewed regularly and the charge to the Statement of Total Comprehensive Income is adjusted accordingly (at the end of the relevant scheme as a minimum). Based on the current forecasts of the Group, the charge for the year is based on 100% of the options in various scheme years vesting for the element relating to non-market-based performance conditions. A decrease of 10% in the vesting assumptions would reduce the charge in the next financial year by £159,000.

In considering the level of satisfaction of performance obligations, the Group's forecast has been reviewed and updated for the expected impact of the various market scenarios and management actions. This forecast has been used to estimate the relevant vesting assumptions for the Enterprise Management Incentive ("EMI") schemes in place.

2.26 Alternative performance measures

In reporting financial information, the Group presents alternative performance measures ("APMs") that are not defined or specified under the requirements of IFRSs. The Group believes that these APMs provide users with additional helpful information on the performance of the business. The APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these measures are also used for the purpose of setting remuneration targets. The APMs used by the Group are set out in note 27, including explanations of how they are calculated and how they can be reconciled to a statutory measure where relevant. There is also further information on separately disclosed items in note 7.

3 | Capital management

The components of the Group's capital are detailed on the Consolidated Statement of Financial Position and as at the reporting date the Group had capital of £50,552,000 (2024: £43,334,000). Capital generated from the business is both reinvested in the business to generate future growth and returned to shareholders, principally in the form of dividends.

The Group's objectives when managing capital are (i) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; (ii) to maintain a strong capital base and utilise it efficiently to support the development of its business; and (iii) to comply with the regulatory capital requirements set by the FCA. Capital adequacy and the use of regulatory capital are monitored by the Group's management and Board. There is one active regulated entity in the Group: Tatton Investment Management Limited, regulated by the FCA.

Regulatory capital is determined in accordance with the requirements of the FCA's Investment Firms Prudential Regime and the Capital Requirements Directive IV prescribed in the UK by the FCA. The Directive requires continual assessment of the Group's risks that is underpinned by the Group's Internal capital adequacy and risk assessment ("ICARA"). The ICARA considers the relevant current and future risks to the business and the capital that is considered necessary to support these risks.

3 | Capital management continued

The Group actively monitors its capital base to ensure that it maintains sufficient and appropriate capital resources to cover the relevant risks to the business and to meet consolidated and individual regulated entity regulations and liquidity requirements. The Group assesses the adequacy of its own funds on a consolidated and legal entity basis on a frequent basis. This includes continuous monitoring of 'K-factor' variables, which captures the variable nature of risk involved in the Group's business activities. A regulatory capital update is additionally provided to senior management on a monthly basis. In addition to this, the Group has implemented a number of 'Key risk indicators', which act as early warning signs, with the aim of notifying senior management if the Group's own funds misalign with the Group's risk appetite and internal thresholds.

The FCA requires the Group to hold more regulatory capital resources than the total capital resource requirement. The total capital requirement for the Group is the higher of the Group's own funds requirement (based on 25% of fixed overheads), its own harm requirement (based on the Group's requirement for harms from ongoing activities as calculated in the ICARA) and wind-down requirement (capital requirement should the firm wind down). The total capital requirement for the Group is £4.56m (unaudited), which is based on the Group's own funds requirement. As at 31 March 2025, the Group has regulatory capital resources of £13.12m (unaudited), which is significantly in excess of the Group's total capital requirement. During the period, the Group and its regulated subsidiary entities complied with all regulatory capital requirements.

4 | Segment reporting

Information reported to the Board of Directors as the CODM for the purposes of resource allocation and assessment of segmental performance is focused on the type of revenue. The principal types of revenue are discretionary fund management and the marketing and promotion of the funds run by the companies under Tatton Capital Limited ("Tatton") and the provision of compliance and support services to IFAs and mortgage advisers ("Paradigm").

The Group's reportable segments under IFRS 8 are, therefore, Tatton and Paradigm, with centrally incurred overhead costs applicable to the segments being allocated to the Tatton and Paradigm divisions on an appropriate pro rata basis. Unallocated central overhead costs of the Operating Group are classified as 'Unallocated' in the table below to provide a reconciliation of the segment information to the financial statements. Unallocated costs include general corporate expenses, head office salaries, and other administrative costs that are not directly attributable to the operating segments. These costs are managed at the corporate level and are not allocated to the segments for performance evaluation.

The principal activity of Tatton is that of discretionary fund management ("DFM") of investments on-platform and the provision of investment wrap services.

The principal activity of Paradigm is that of the provision of support services to IFAs and mortgage advisers. For management purposes, the Group uses the same measurement policies as are used in its financial statements. The Paradigm division includes the trading subsidiaries of Paradigm Partners Limited and Paradigm Mortgages Services LLP, which operate as one operating segment as they have the same economic characteristics, they are run and managed by the same management team, and the methods used to distribute the products to customers are the same. The information presented in this note is consistent with the presentation for internal reporting. Total assets and liabilities for each operating segment are not regularly provided to the CODM.

4 | Segment reporting continued

The following is an analysis of the Group's revenue and results by reportable segment:

YEAR ENDED 31 MARCH 2025	TATTON (£'000)	PARADIGM (£'000)	UNALLOCATED (£'000)	GROUP (£'000)
Revenue	**38,987**	**6,322**	**–**	**45,309**
Share of post-tax loss from joint ventures	**(148)**	**–**	**–**	**(148)**
Administrative expenses	**(14,974)**	**(4,779)**	**(4,722)**	**(24,475)**
Operating profit/(loss)	**23,865**	**1,543**	**(4,722)**	**20,686**
Share-based payments	**397**	**157**	**949**	**1,503**
Gain arising on changes in fair value of contingent consideration	**–**	**–**	**–**	**–**
Exceptional items	**–**	**–**	**–**	**–**
Amortisation of acquisition-related intangible assets	**621**	**36**	**–**	**657**
Non-controlling interest	**–**	**100**	**–**	**100**
Adjusted operating profit/(loss)[1]	**24,883**	**1,836**	**(3,773)**	**22,946**

YEAR ENDED 31 MARCH 2024	TATTON (£'000)	PARADIGM (£'000)	UNALLOCATED (£'000)	GROUP (£'000)
Revenue	30,864	5,943	–	36,807
Share of post-tax loss from joint ventures	(1,188)	–	–	(1,188)
Administrative expenses	(11,092)	(4,421)	(3,642)	(19,155)
Operating profit/(loss)	18,584	1,522	(3,642)	16,464
Share-based payments	340	186	932	1,458
Gain arising on changes in fair value of contingent consideration	(1,350)	–	–	(1,350)
Exceptional items	1,250	–	–	1,250
Amortisation of acquisition-related intangible assets	621	12	–	633
Non-controlling interest	–	59	–	59
Adjusted operating profit/(loss)[1]	19,445	1,779	(2,710)	18,514

YEAR ENDED 31 MARCH 2025	TATTON (£'000)	PARADIGM (£'000)	UNALLOCATED (£'000)	GROUP (£'000)
Statutory operating costs included the following:				
Depreciation	**64**	**58**	**169**	**291**
Amortisation	**782**	**53**	**2**	**837**

YEAR ENDED 31 MARCH 2024	TATTON (£'000)	PARADIGM (£'000)	UNALLOCATED (£'000)	GROUP (£'000)
Statutory operating costs included the following:				
Depreciation	249	112	14	375
Amortisation	734	16	–	750

All turnover arose in the United Kingdom. The key decision makers use the KPIs as detailed on pages 20 to 22.

1. Alternative performance measures are detailed in note 27.

5 | Revenue

The disaggregation of consolidated revenue is as follows:

OPERATING SEGMENT	MAJOR PRODUCT/SERVICE LINES	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Tatton	Investment management fees	**38,987**	30,864
Paradigm	IFA consulting and support services income	**2,342**	2,221
Paradigm	Mortgage-related services income	**3,200**	2,990
Paradigm	Marketing income	**780**	732
		45,309	36,807

The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 'Operating segments' (see note 4). All the revenue relates to trading undertaken in the UK.

Investment management fees are recurring charges derived from the market value of retail customer assets, based on asset mix and portfolio size, and are, therefore, subject to market and economic risks. The rate charged is variable and is dependent on the product. Although most ongoing revenue is based on the value of underlying benefits, these are not considered to constitute variable income in which significant judgement or estimation is involved. The calculations are based on short timelines or point-in-time calculations that represent the end of a quantifiable period, in accordance with the contract. These are charged to and paid by the client on the same value, constituting the transaction price for the specified period. At any time during the period, a client may choose to remove their assets from a service and no further revenue is received.

All obligations to the customer are satisfied at the end of the period in which the service is provided for ongoing revenue, with payment being due immediately.

IFA consulting and support services income and marketing income are fixed based on the service provided. The rate charged for mortgage-related services income is variable and is dependent on the product. See note 2.5 for details of when revenue is recognised for the Paradigm product lines, including compliance consultancy services, mortgage-related services, and marketing services.

There are no elements of revenue that relate to contracts with an expected duration of over one year; therefore, the Group has applied the practical expedient for contracts of less than one year.

6 | Operating profit

The operating profit and the profit before taxation are stated after charging/(crediting):

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Amortisation of software (note 16)	**180**	117
Amortisation of acquisition-related intangibles (note 7)	**657**	633
Depreciation of property, plant and equipment (note 17)	**96**	159
Depreciation of right-of-use assets (note 17)	**195**	216
Impairment of investment in joint venture (note 7)	**-**	1,250
(Gain)/loss arising on financial assets designated as FVTPL	**(27)**	2
Employee benefit expense (note 13)	**14,868**	12,448
Gain arising on changes in fair value of contingent consideration (note 7)	**-**	(1,350)
Services provided by the Group's auditor:		
Audit of the statutory consolidated and Company financial statements of		
Tatton Asset Management plc	**149**	130
Audit of subsidiaries	**91**	79
Other fees payable to the auditor:		
Non-audit services	**10**	9

Total audit fees were £240,000 (2024: £209,000). Total non-audit fees payable to the auditor were £10,000 (2024: £9,000).

'Amortisation of software' in the table above excludes £36,000 (2024: £12,000) of amortisation relating to the software acquired on acquisition of Fintegrate, which is included in the £657,000 (2024: £633,000) of amortisation of acquisition-related intangibles.

7 | Separately disclosed items

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Gain arising on changes in fair value of contingent consideration	**-**	(1,350)
Exceptional costs	**-**	1,250
Share-based payment charges	**1,503**	1,458
Operating loss relating to non-controlling interest	**100**	59
Amortisation of acquisition-related intangible assets	**657**	633
Total separately disclosed items	**2,260**	2,050

Separately disclosed items that are shown separately on the face of the Statement of Total Comprehensive Income represent costs and income that do not reflect the Group's trading performance and may be considered material (individually or in aggregate if of a similar type) due to their size or frequency, and are adjusted to present Adjusted operating profit so as to ensure consistency between periods. The costs or income above are all included within Administrative expenses, except for the Exceptional costs in FY24 of £1,250,000, which was recognised within the Share of loss of joint ventures.

Although some of these items may recur from one period to the next, operating profit has been adjusted for these items to give better clarity regarding the underlying performance of the Group. The alternative performance measures ("APMs") are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these measures are also used for the purpose of setting remuneration targets.

Gain arising on changes in fair value of acquisition-related items

During the prior year, the Group revalued its financial liability at fair value through profit or loss relating to the contingent consideration on the acquisition of the Verbatim funds business and 8AM Global Limited. This resulted in a credit of £1,350,000 being recognised in the prior year. No such revaluation was required in the financial year ending 31 March 2025.

Exceptional items

During the prior year, the Group reviewed the investment in the 8AM joint venture for impairment and recognised an impairment loss in the year of £1,250,000. As the impairment of the investment was a non-cash item, there were no cash flows from exceptional items included on the Consolidated Statement of Cash Flows. No such impairment was identified in financial year to 31 March 2025.

Share-based payment charges

Share-based payments is a recurring item, although the value will change depending on the estimation of the satisfaction of performance obligations attached to certain awards. It is an adjustment to operating profit since it is a significant non-cash item. Adjusted operating profit represents largely cash-based earnings and more directly relates to the trading performance of the financial reporting period.

Operating loss due to non-controlling interest

The Group's operating profit includes £100,000 of losses relating to the non-controlling interest in Fintegrate Financial Solutions Limited (2024: £59,000). This has been excluded from the Group's adjusted operating profit to reflect the adjusted operating profit attributable to the shareholders of the Company.

Amortisation of acquisition-related intangible assets

Payments made for the introduction of client relationships and brands that are deemed to be intangible assets are capitalised and amortised over their useful life, which has been assessed to be ten years. This includes £207,000 of amortisation of the intangibles recognised on the acquisition of 8AM, where the amortisation charge is included within the Share of profit/(loss) from joint ventures in the Consolidated Statement of Total Comprehensive Income (2024: £207,000). This amortisation charge is recurring over the life of the intangible asset, although it is an adjustment to operating profit since it is a significant non-cash item. Adjusted operating profit represents largely cash-based earnings and more directly relates to the trading performance of the financial reporting period.

8 | Finance income

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Bank interest income	**1,025**	640
Other interest	**8**	-
Total finance income	**1,033**	640

9 | Finance costs

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Bank interest payable	**(10)**	-
Unwinding of the discount on contingent consideration	**(47)**	(201)
Interest expense on lease liabilities	**(66)**	(6)
Interest payable in the servicing of banking facilities	**-**	(146)
Total finance costs	**(123)**	(353)

10 | Taxation charge

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Current tax expense		
Current tax on profits for the period	**5,792**	4,798
Adjustment for over-provision in prior periods	**(37)**	(290)
	5,755	4,508
Deferred tax credit		
Current year credit	**(164)**	(173)
Adjustment with respect to previous years	**3**	(505)
	(161)	(678)
Total tax expense	**5,594**	3,830

The deferred tax credit includes £52,000 relating to the release of the deferred tax liability on the investment in 8AM Global Limited, which is recognised within the Investment in joint ventures balance on the Consolidated Statement of Financial Position (2024: £33,000).

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to profit for the year are as follows:

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Profit before taxation	**21,596**	16,751
Tax at UK corporation tax rate of 25%	**5,399**	4,188
Expenses not deductible for tax purposes	**60**	462
Income not taxable	**(14)**	(443)
Adjustments with respect to previous years	**(45)**	(795)
Capital allowances in excess of depreciation	**5**	6
Deferred tax asset not recognised	**157**	142
Share-based payments	**32**	270
Total tax expense	**5,594**	3,830

11 | Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares during the year.

Number of shares

	31-MAR 2025	31-MAR 2024
Basic		
Weighted average number of shares in issue[1]	**61,623,021**	61,064,870
Effect of own shares held by an EBT	**(562,061)**	(358,196)
	61,060,960	60,706,674
Diluted		
Effect of weighted average number of options outstanding for the year	**531,198**	1,075,124
Weighted average number of shares (diluted)[2]	**61,592,158**	61,781,798
Fully diluted		
Effect of full dilution of employee share options that are contingently issuable or have future attributable service costs	**1,109,396**	1,096,621
Adjusted diluted weighted average number of options and shares for the year[3]	**62,701,554**	62,878,419

1. The weighted average number of shares in issue includes contingently issuable shares where performance obligations have been met and there will be little to no cash consideration, but the share options have yet to be exercised.
2. The weighted average number of shares is diluted due to the effect of potentially dilutive contingent issuable shares from share option schemes.
3. The dilutive shares used for this measure differ from that used for statutory dilutive earnings per share; the future value of service costs attributable to employee share options is ignored and contingently issuable shares for long-term incentive plan options are assumed to fully vest.

Own shares held by an EBT represents the Company's own shares purchased and held by the Employee Benefit Trust ("EBT"), shown at cost. In the year ended 31 March 2025, the EBT purchased 7,664 (2024: 1,005,696) of the Company's own shares. The Company utilised 193,660 (2024: 346,896) of the shares during the year to satisfy the exercise of employee share options. At March 2025, there remained 472,804 of the Company's own shares being held by the EBT (2024: 658,800).

11 | Earnings per share continued

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Earnings attributable to ordinary shareholders		
Basic and diluted profit for the period	**16,141**	12,986
Share-based payments – IFRS 2 option charges	**1,503**	1,458
Amortisation of acquisition-related intangible assets	**657**	633
Exceptional costs (note 7)	**-**	1,250
Gain arising on changes in fair value of contingent consideration (note 7)	**-**	(1,350)
Unwinding of discount on contingent consideration (note 9)	**47**	201
Tax impact of adjustments	**(382)**	(770)
Adjusted basic and diluted profits for the period and attributable earnings	**17,966**	14,408
Earnings per share (pence) – Basic	**26.43**	21.39
Earnings per share (pence) – Diluted	**26.21**	21.02
Adjusted earnings per share (pence) – Basic[1]	**29.42**	23.73
Adjusted earnings per share (pence) – Diluted[1]	**29.17**	23.32
Adjusted earnings per share (pence) – Fully Diluted[1]	**28.65**	22.91

1. Alternative performance measures are detailed in note 27.

12 | Dividends

The Directors consider the Group's capital structure and dividend policy at least twice a year ahead of announcing results and do so in the context of its ability to continue as a going concern, to execute its strategy and to invest in opportunities to grow the business and enhance shareholder value. The Company's dividend policy is described in the Directors' Report on page 73. As at 31 March 2025, the Company's distributable reserves were £9,074,000 (2024: £7,761,000).

During the year, Tatton Asset Management plc paid the final dividend related to the year ended 31 March 2024 of £4,740,000, representing a payment of 8.0p per share. During FY24 £6,006,000 was paid as the final dividend related to the year ended 31 March 2023, representing 10.0p per share. In addition, the Company paid an interim dividend of £5,700,000 (2024: £4,841,000) to its equity shareholders. This represents a payment of 9.5p per share (2024: 8.0p per share).

The Directors are proposing a final dividend with respect to the financial year ended 31 March 2025 of 9.5p (2024: 8.0p) per share, which will absorb £5,701,000 (2024: £4,841,000) of shareholders' funds. It will be paid on 31 July 2025 to shareholders who are on the register of members on 20 June 2025.

13 | Staff costs

The staff costs, including Executive Directors, were as follows:

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Wages, salaries and bonuses	**11,304**	9,468
Social security costs	**1,616**	1,161
Pension costs	**445**	361
Share-based payments	**1,503**	1,458
Total employee benefit expense	**14,868**	12,448

The average monthly number of employees (including Executive Directors) during the year was as follows:

	31-MAR 2025	31-MAR 2024
Administration	**110**	101
Key management	**3**	3
	113	104

Key management compensation

The remuneration of the statutory Directors who are the key management of the Group is set out below in aggregate for each of the key categories specified in IAS 24 'Related Party Disclosures'.

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Short-term employee benefits	**3,118**	2,058
Post-employment benefits	**10**	10
Share-based payments	**552**	571
	3,680	2,639

The table above shows the remuneration for both Executive Directors and Non-Executive Directors.

13 | Staff costs continued

The Group incurred social security costs of £419,000 (2024: £293,000) on the remuneration of the Directors and Non-Executive Directors. Retirement benefits are accruing to one Director (2024: one) under a defined contribution pension scheme. Within the figures above is £10,000 of company contributions paid to a pension scheme in respect of this Director's qualifying services (2024: £10,000).

Dividends totalling £1,883,000 (2024: £2,026,000) were paid in the year with respect to ordinary shares held by the Company's Directors. The aggregate gains made by the Directors on the exercise of share options during the year were £304,600 (2024: £248,250).

The remuneration of individual Directors is provided in the Remuneration Committee Report on pages 68 to 72. These disclosures form part of these financial statements.

The remuneration of the highest paid Director was:

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Total remuneration and benefits in kind	**1,233**	695

The highest paid Director exercised nil share options in the period (2024: nil). There were 110,887 share options granted to the highest paid Director in the year (2024: 20,000). There was £nil (2024: £nil) of money or net assets (other than share options) paid to or receivable by the highest paid Director under long-term incentive schemes in respect of qualifying services. The highest paid Director received £1,599,000 (2024: £1,740,000) in dividends in the year with respect to ordinary shares held by the Director and connected parties. No contributions were made to a defined contribution scheme with respect to the highest paid Director in the period.

14 | Investments in joint ventures

	(£'000)
At 1 April 2024	5,352
Profit for the year after tax	59
Amortisation of intangible assets relating to joint ventures	(207)
Deferred tax credit on amortisation of intangible assets relating to joint ventures	52
Impairment loss	–
Distributions of profit	–
At 31 March 2025	**5,256**

8AM belongs to the Tatton operating segment as disclosed within note 4.

NAME OF JOINT VENTURE	NATURE OF BUSINESS	PRINCIPAL PLACE OF BUSINESS	CLASS OF SHARE	PERCENTAGE OWNED BY THE GROUP
8AM Global Limited	Investment Management	United Kingdom	Ordinary Shares	50.0%
Niche Investment Management Limited	Investment Management	United Kingdom	Ordinary Shares	50.0%
Becketts Wealth Limited	Investment Management	United Kingdom	Ordinary Shares	50.0%

All of the above joint ventures are accounted for using the equity method in these consolidated financial statements, as set out in the Group's accounting policies in note 2.

Summarised financial information in respect of the Group's only material joint venture, 8AM, is set out below.

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Non-current assets	**24**	29
Current assets	**735**	645
Current liabilities	**(161)**	(178)
Total equity	**598**	496
Group's share of net assets	**297**	238
Goodwill and intangible assets	**5,344**	5,551
Deferred tax liability	**(385)**	(437)
Carrying value held by the Group	**5,256**	5,352

14 | Investments in joint ventures accounted for using the equity method continued

Current assets above include £502,000 of cash and cash equivalents (2024: £345,000). There are no current or non-current financial liabilities excluding trade and other payables and provisions included in current liabilities and non-current liabilities.

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Revenue	**1,473**	1,732
Profit for the year	**117**	539
Dividends received	**-**	255
The above profit includes the following:		
Depreciation and amortisation	**5**	7
Interest income	**10**	6
Income tax	**43**	282

There is no interest expense in the year (2024:£nil).

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Joint venture's profit for the year	**117**	539
Group's share profit for the year before adjustments	**59**	269
Amortisation of customer relationship intangible assets	**(207)**	(207)
Impairment loss	**-**	(1,250)
Group's share of loss for the year	**(148)**	(1,188)

8AM Global Limited has a reporting date of 30 June. The net asset position shown in the table above is as at 31 March, to align with the Group's own reporting.

Niche Investment Management Limited and Becketts Wealth Limited both have a reporting date of 31 March, in line with the Group. The Group's interest in all individually immaterial joint ventures accounted for using the equity method is £nil (2024: £nil). The Group's share of profit for the year for these joint ventures is £nil (2024: £nil).

15 | Goodwill

	GOODWILL (£'000)
Cost and carrying value at 1 April 2023	9,337
Recognised as part of a business combination	459
Cost and carrying value at 31 March 2024 and 31 March 2025	**9,796**

The carrying value of goodwill includes £9.4m allocated to the Tatton operating segment and CGU. This is made up of £2.5m arising from the acquisition in 2014 of an interest in Tatton Oak Limited by Tatton Capital Limited, consisting of the future synergies and forecast profits of the Tatton Oak business, £2.0m arising from the acquisition in 2017 of an interest in Tatton Capital Group Limited, £1.4m of goodwill generated on the acquisition of Sinfonia, £3.0m of goodwill generated on the acquisition of the Verbatim funds business, and £0.5m of goodwill generated on the acquisition of 56.49% of Fintegrate Financial Solutions Limited in the previous financial year.

The carrying value of goodwill also includes £0.4m allocated to the Paradigm operating segment and CGU relating to the acquisition of Paradigm Mortgage Services LLP.

Goodwill relating to 8AM Global Limited is shown within the Investments in joint ventures (see note 14).

None of the goodwill is expected to be deductible for income tax purposes.

Impairment loss and subsequent reversal

Goodwill is subject to an annual impairment review based on an assessment of the recoverable amount from future trading. Where, in the opinion of the Directors, the recoverable amount from future trading does not support the carrying value of the goodwill relating to a subsidiary company, then an impairment charge is made. Such an impairment is charged to the Statement of Total Comprehensive Income.

15 | Goodwill continued

Impairment testing

For the purpose of impairment testing, goodwill is allocated to the Group's operating companies that represent the lowest level within the Group at which the goodwill is monitored for internal management accounts purposes. Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs or group of units that are expected to benefit from that business combination. The Directors test goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. The Directors have reviewed the carrying value of goodwill at 31 March 2025 and do not consider it to be impaired.

Growth rates

The value in use is calculated from cash flow projections based on the Group's forecasts for the next five years, ending 31 March 2030. The Group's latest financial forecasts, which cover a five-year period, are reviewed by the Board. A terminal growth rate of 3.5% (2024: 5%) for the Tatton CGU has been applied to year five cash flows. The terminal growth rate is prudent, given the historical growth seen by the Group, and does not exceed the long-term industry average growth rate. A terminal growth rate of 0% has been applied to the Paradigm Mortgage Services LLP CGU that reflects the outer year budget revenue.

Discount rates

The pre-tax discount rate applied to the cash flow forecasts is derived from a weighted average cost of capital model, the inputs for which are externally available. The pre-tax discount rate used to calculate value is 16.9% (2024: 14.4%) and has been used for all CGUs.

Cash flow assumptions

The key assumptions used for the value in use calculations are those regarding discount rate, growth rates, and expected changes in margins. Forecast sales growth rates are based on past experience, which has been adjusted for the strategic direction and near-term investment priorities for each CGU. The Tatton CGU has not budgeted for any market movements and has used an average growth rate of net flows of 12%, which management believe is prudent given the size of the market and historical growth. The Paradigm Mortgage Services LLP CGU has an assumed 9% In year 1, decreasing to 2% growth by year 5.

From the assessment performed, no reasonably possible change in a key assumption would cause the recoverable amount of either the Tatton CGU or the Paradigm Mortgage Services LLP CGU to equal its carrying value.

16 | Intangible assets

	COMPUTER SOFTWARE (£'000)	CLIENT RELATIONSHIPS (£'000)	BRAND (£'000)	TOTAL (£'000)
Cost				
Balance at 1 April 2023	1,235	4,034	98	5,367
Additions	249	–	–	249
Acquired as part of a business combination	365	–	–	365
Balance at 31 March 2024	1,849	4,034	98	5,981
Additions	437	–	–	437
Balance at 31 March 2025	**2,286**	**4,034**	**98**	**6,418**
Accumulated amortisation and impairment				
Balance at 1 April 2023	(892)	(845)	(15)	(1,752)
Charge for the period	(129)	(404)	(10)	(543)
Balance at 31 March 2024	(1,021)	(1,249)	(25)	(2,295)
Charge for the period	(216)	(404)	(10)	(630)
Balance at 31 March 2025	**(1,237)**	**(1,653)**	**(35)**	**(2,925)**
Net book value				
As at 1 April 2023	343	3,189	83	3,615
As at 31 March 2024	828	2,785	73	3,686
As at 31 March 2025	**1,049**	**2,381**	**63**	**3,493**

All amortisation charges are included within Administrative expenses in the Statement of Total Comprehensive Income.

The Client Relationships and Brand intangibles arose on acquisition of the Sinfonia and Verbatim funds.

Computer software relates to the internally generated software within Tatton Investment Management Limited and Fintegrate Financial Solutions Limited.

17 | Property, plant and equipment

	COMPUTER, OFFICE EQUIPMENT AND MOTOR VEHICLES (£'000)	FIXTURES AND FITTINGS (£'000)	RIGHT- OF-USE ASSETS – BUILDINGS AND MOTOR VEHICLES (£'000)	TOTAL (£'000)
Cost				
Balance at 1 April 2023	354	480	991	1,825
Additions	97	18	622	737
Disposals	(104)	–	(689)	(793)
Balance at 31 March 2024	347	498	924	1,769
Additions	58	10	339	407
Disposals	–	–	(302)	(302)
Balance at 31 March 2025	**405**	**508**	**961**	**1,874**
Accumulated depreciation and impairment				
Balance at 1 April 2023	(234)	(398)	(739)	(1,371)
Charge for the period	(86)	(73)	(216)	(375)
Disposals	104	–	689	793
Balance at 31 March 2024	(216)	(471)	(266)	(953)
Charge for the period	(86)	(10)	(195)	(291)
Disposals	–	–	302	302
Balance at 31 March 2025	**(302)**	**(481)**	**(159)**	**(942)**
Net book value				
As at 1 April 2023	120	82	252	454
As at 31 March 2024	131	27	658	816
As at 31 March 2025	**103**	**27**	**802**	**932**

All depreciation charges are included within Administrative expenses in the Statement of Total Comprehensive Income.

The Group leases buildings, motor vehicles, and IT equipment. The Group has applied the practical expedient for short-term leases and so has not recognised IT equipment within ROU assets. The average lease term is five years. One lease expired in the year and a new lease was entered into in its place. The maturity analysis for lease liabilities is shown in note 22. The future lease payments relating to lease liabilities are fixed.

Right-of-use assets

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Amounts recognised in profit and loss		
Depreciation on right-of-use assets	**(195)**	(216)
Interest expense on lease liabilities	**(66)**	(6)
Expense relating to short-term leases	**(67)**	(66)
	(328)	(288)

At 31 March 2025, the Group is committed to £78,000 for short-term leases (2024: £64,000).

The total cash outflow for all leases amounts to £283,000 (2024: £294,000). The cash outflows for the principal portion of lease liabilities and for the interest portion of lease liabilities is shown within financing activities in the Consolidated Statement of Cash Flows. The cash outflows for the payments of short-term leases are shown within Operating activities in the Consolidated Statement of Cash Flows.

18 | Trade and other receivables

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Trade receivables	**312**	878
Accrued income	**3,936**	3,427
Prepayments	**712**	756
Other receivables	**1,578**	235
	6,538	5,296
Less non-current portion:		
Other receivables	**-**	(188)
Total non-current trade and other receivables	**-**	(188)
Total current trade and other receivables	**6,538**	5,108

Trade and other receivables, excluding prepayments, are financial assets. The carrying value of these financial assets are considered a fair approximation of their fair value. Accrued income is made up of contract assets, which are balances due from customers that arise when the Group delivers the service. Payment for services is not due from the customer until the services are complete; therefore, a contract asset is recognised over the period in which the services are performed to represent the entity's right to consideration for the services transferred to date. This usually relates to providing one month of investment management service prior to receiving the cash from the customer in the following month.

18 | Trade and other receivables continued

The Group applies the IFRS 9 simplified approach to measuring expected credit losses ("ECLs") for trade receivables and accrued income at an amount equal to lifetime ECLs. In line with the Group's historical experience, and after consideration of current credit exposures, the Group does not expect to incur any credit losses and has not recognised any ECLs in the current year (2024: £nil).

Within other receivables are three loans that Tatton has granted in the financial year (2024: £nil). The Group applies the IFRS 9 general approach for these receivables. The loans are secured and interest of 4% is being accrued, and is shown within note 8 as Other interest income. The security equals the carrying amount of the loans and, as such, no ECL is recognised.

Trade receivable amounts are all held in sterling.

19 | Trade and other payables

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Trade payables	**478**	328
Amounts due to related parties	**14**	–
Accruals	**7,163**	4,389
Deferred income	**122**	238
Contingent consideration	**420**	903
Lease liabilities	**848**	659
Other payables	**2,844**	2,608
	11,889	9,125
Less non-current portion:		
Contingent consideration	**–**	(402)
Lease liabilities	**(615)**	(567)
Other payables	**(42)**	(47)
Total non-current trade and other payables	**(657)**	(1,016)
Total current trade and other payables	**11,232**	8,109

Trade payables, amounts due to related parties, accruals, lease liabilities, contingent consideration, and other payables are considered financial liabilities. The Directors consider that the carrying amount of trade payables approximates to their fair value.

Within other payables, there is a loan of £33,000 that holds a fixed and floating charge over all present and future property and undertakings of Fintegrate Financial Solutions Limited (2024: £46,000).

Trade payable amounts are all held in sterling.

20 | Deferred tax assets

	DEFERRED CAPITAL ALLOWANCES (£'000)	SHORT-TERM TIMING DIFFERENCES (£'000)	SHARE- BASED PAYMENTS (£'000)	ACQUISITION INTANGIBLES (£'000)	TOTAL (£'000)
Asset/(liability) at 1 April 2023	(14)	–	2,069	(797)	1,258
Income statement credit/(charge)	(120)	28	101	636	645
Recognised as part of a business combination	–	–	–	(92)	(92)
Equity credit	–	–	760	–	760
Asset/(liability) at 31 March 2024	(134)	28	2,930	(253)	2,571
Income statement credit/(charge)	**(20)**	**62**	**28**	**39**	**109**
Equity credit	**–**	**–**	**203**	**–**	**203**
Asset/(liability) at 31 March 2025	**(154)**	**90**	**3,161**	**(214)**	**2,883**

A deferred tax asset of £248,000 with a temporary timing difference of £993,000 relating to a difference between the carrying value and the tax base of intangibles acquired in Tatton Capital Limited relating to Verbatim has not been recognised, as it is not expected that the temporary difference would reverse in the foreseeable future.

21 | Reconciliation of liabilities arising from financing activities

	1 April 2023 (£'000)	Financing cash flows (£'000)	Additions (£'000)	Non-cash changes: interest (£'000)	31 March 2024 (£'000)	**Financing cash flows (£'000)**	**Additions (£'000)**	**Non-cash changes: interest (£'000)**	**31 March 2025 (£'000)**
Long-term borrowings	–	–	62	–	62	**(23)**	**–**	**2**	**41**
Short-term borrowings	–	(18)	141	3	126	**–**	**–**	**8**	**134**
Lease liabilities	261	(230)	622	6	659	**(216)**	**339**	**66**	**848**
	261	(248)	825	9	847	**(239)**	**339**	**76**	**1,023**

Long-term and short-term borrowings relate to interest-bearing borrowings added on the acquisition of Fintegrate Financial Solutions Limited. These are disclosed within Other payables within note 19.

22 | Financial instruments

The Group's treasury activities are designed to provide suitable, flexible funding arrangements to satisfy the Group's requirements. The Group uses financial instruments comprising borrowings, cash, and items such as trade receivables and payables that arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risks, credit risks, and liquidity risks. The Board reviews policies for managing each of these risks and they are summarised below. The Group finances its operations through a combination of cash resource and other borrowings.

Categories of financial instruments

The financial assets and liabilities of the Group are detailed below:

	At 31 March 2025				At 31 March 2024			
	Amortised cost (£'000)	**Financial liabilities (£'000)**	**FVPL (£'000)**	**Carrying value (£'000)**	Amortised cost (£'000)	Financial liabilities (£'000)	FVPL (£'000)	Carrying value (£'000)
Financial assets								
Financial assets at FVPL	**–**	**–**	**1,133**	**1,133**	–	–	106	106
Trade receivables	**312**	**–**	**–**	**312**	878	–	–	878
Accrued income	**3,936**	**–**	**–**	**3,936**	3,427	–	–	3,427
Other receivables	**1,578**	**–**	**–**	**1,578**	235	–	–	235
Cash and cash equivalents	**32,119**	**–**	**–**	**32,119**	24,838	–	–	24,838
	37,945	**–**	**1,133**	**39,078**	29,378	–	106	29,484
Financial liabilities								
Trade and other payables	**–**	**10,499**	**–**	**10,499**	–	8,228	–	8,228
Contingent consideration	**–**	**–**	**420**	**420**	–	–	903	903
Lease liabilities	**–**	**848**	**–**	**848**	–	659	–	659
	–	**11,347**	**420**	**11,767**	–	8,887	903	9,790

22 | Financial instruments continued

Fair value estimation

IFRS 7 requires the disclosure of fair value measurements of financial instruments according to the level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

All financial assets, except for financial investments, are held at amortised cost and are classified as level 1. The carrying amount of these financial assets at amortised cost approximate to their fair value. Financial investments are categorised as financial assets at fair value through profit or loss and are classified as level 1, and the fair value is determined directly by reference to published prices in an active market.

Financial assets at fair value through profit or loss (level 1)

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Financial investments in regulated funds or model portfolios	**1,133**	106

The Group launched a new range of passive funds during the financial year and invested £1,000,000 in these funds, which is shown on the Consolidated Statement of Cash Flows. This investment, along with the Group's other investments in regulated funds or model portfolios, are revalued, with changes in fair value being recognised in the Consolidated Statement of Total Comprehensive Income.

All financial liabilities, except for contingent consideration, are categorised as financial liabilities measured at amortised cost and are also classified as level 1. The only financial liabilities measured subsequently at fair value on level 3 fair value measurement represent contingent consideration relating to a business combination.

Contingent consideration has been valued using a discounted cash flow method that was used to capture the present value arising from the contingent consideration.

The unobservable inputs are:

- the risk-adjusted discount rate of 8.7%; and
- the probability-adjusted level of assets under management, which have a range of £283,000,000 to £353,000,000.

Financial liabilities at fair value through profit or loss (level 3)

CONTINGENT CONSIDERATION	£'000
Balance at 1 April 2023	2,989
Recognition of contingent consideration as part of a business combination	(937)
Unwinding of discount rate	201
Changes in fair value of contingent consideration	(1,350)
Balance at 31 March 2024	903
Contingent consideration paid	(530)
Unwinding of discount rate	47
Balance at 31 March 2025	**420**

The unwinding of the discount rate and the changes in fair value of contingent consideration have been recognised in the Consolidated Statement of Total Comprehensive Income.

During the year, a payment of £530,000 was made relating to the contingent consideration due for acquisition of the Verbatim funds.

The fair value of the remaining contingent consideration for Verbatim was reviewed at 31 March 2025 using a discounted cash flow analysis. The expected cash flows are estimated based on the Group's knowledge of the business and how the current economic environment is likely to impact it.

For Verbatim, the expected change in AUM and resulting cash flows are estimated based on the Group's knowledge of the business and how the current economic environment is likely to impact it. The contingent consideration payable is dependent on the total value of AUM at the payment date compared to the value of AUM at acquisition, £650m. The scenarios used to calculate the deferred payments were updated to include AUM movements to date and management's perception of the likelihood of occurrence.

The unobservable inputs for the Verbatim contingent consideration include the risk-adjusted discount rate of 8.7% (2024: 8.0%) and future AUM of the funds ranging in value up to £353m. If the discount rate were to change by 1%, this would increase/decrease the fair value of contingent consideration by £14,000. If AUM were to be 10% higher or lower, the fair value of contingent consideration would increase/decrease by £61,000.

22 | Financial instruments continued

Interest rate risk

The Group finances its operations through retained profits. The Group's cash and cash equivalents balance of £32,119,000 are the financial instruments subject to variable interest rate risk. The impact of a 1% increase or decrease in interest rate on the post-tax profit is not material to the Group.

Credit risk

Credit risk is the risk that a counterparty will cause a financial loss to the Group by failing to discharge its obligation to the Group. The financial instruments are considered to have a low credit risk, due to the mitigating procedures in place. The Group manages its exposure to this risk by applying Board-approved limits to the amount of credit exposure to any one counterparty, and employs strict minimum creditworthiness criteria as to the choice of counterparty, thereby ensuring that there are no significant concentrations. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The maximum exposure to credit risk for receivables and other financial assets is represented by their carrying amount.

The Group's maximum exposure to credit risk is limited to the carrying amount of its financial assets recognised at the year end date.

The Group continuously monitors the defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with credit-worthy counterparties.

The Group's management consider that all of the above financial assets that are not impaired or past due for each of the 31 March reporting dates under review are of good credit quality.

At 31 March, the Group had certain trade receivables that had not been settled by the contractual date but were not considered to be impaired. The amounts at 31 March, analysed by the length of time past due, are:

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Not more than 3 months	**256**	814
More than 3 months but not more than 6 months	**47**	42
More than 6 months but not more than 1 year	**5**	14
More than 1 year	**4**	8
Total	**312**	**878**

Trade receivables consist of a large number of customers within the UK. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

The Group has rebutted the presumption in paragraph 5.5.11 of IFRS 9 that credit risk increases significantly when contractual payments are more than 30 days past due, where the Group has reasonable and supportable information that demonstrates otherwise.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high-quality external credit ratings.

Liquidity risk

Liquidity risk is the risk that companies within the Group will encounter difficulty in meeting the obligations associated with financial liabilities. To counter this risk, the Group operates with a high level of interest cover relative to its net asset value. In addition, it benefits from strong cash flow from its normal trading activities. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities, as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

22 | Financial instruments continued

At 31 March 2025, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	CURRENT		NON-CURRENT	
AT 31 MARCH 2025	**WITHIN 6 MONTHS (£'000)**	**6 TO 12 MONTHS (£'000)**	**1 TO 5 YEARS (£'000)**	**LATER THAN 5 YEARS (£'000)**
Trade and other payables	**10,435**	**22**	**42**	**-**
Lease liabilities	**144**	**141**	**721**	**-**
Contingent consideration	**440**	**-**	**-**	**-**
Total	**11,019**	**163**	**763**	**-**

Lease liabilities above totalling £1,006,000 are the undiscounted values of the total lease liability of £848,000 as shown in note 19. Contingent consideration above totalling £440,000 is the undiscounted liability of the contingent consideration of £420,000 as shown in note 19.

This compares with the maturity of the Group's non-derivative financial liabilities in the previous reporting period, as follows:

	CURRENT		NON-CURRENT	
AT 31 MARCH 2024	WITHIN 6 MONTHS (£'000)	6 TO 12 MONTHS (£'000)	1 TO 5 YEARS (£'000)	LATER THAN 5 YEARS (£'000)
Trade and other payables	7,259	4	57	5
Lease liabilities	95	56	644	-
Contingent consideration	521	-	451	-
Total	7,875	60	1,152	5

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Market risk

The Group has made investments in its own managed funds and portfolios and the value of these investments is subject to equity market risk, this being the risk that changes in equity prices will affect the Group's income or the value of its holdings of financial instruments. If equity prices had been 5% higher/lower, the impact on the Group's Statement of Comprehensive Income would be £57,000 higher/lower, due to changes in the fair value of financial assets at fair value through profit or loss.

23 | Share capital

	NUMBER OF SHARES
Authorised, called-up, and fully paid £0.20 ordinary shares	
At 1 April 2023	60,055,722
Issue of share capital on exercise of employee share options	455,678
At 31 March 2024	60,511,400
Issue of share capital on exercise of employee share options	37,480
At 31 March 2025	**60,548,880**

Each share in Tatton Asset Management plc carries one vote and the right to a dividend.

24 | Own shares

The following movements in own shares occurred during the year:

	NUMBER OF SHARES	£'000
At 1 April 2023	-	-
Acquired in the year	658,800	3,278
New share capital issued to EBT	346,896	69
Utilised on exercise of employee share options	(346,896)	(69)
At 31 March 2024	658,800	3,278
Acquired in the year	7,664	50
Utilised on exercise of employee share options	(193,660)	(965)
At 31 March 2025	**472,804**	**2,363**

Own shares represent the cost of the Company's own shares, either purchased in the market or issued by the Company, which are held by an EBT to satisfy future awards under the Group's share-based payment schemes (note 25).

25 | Share-based payments

During the year, a number of share-based payment schemes and share options schemes have been utilised by the Group, described under 25.1 Current schemes.

25.1 Current schemes

(i) Tatton Asset Management plc EMI scheme ("TAM EMI scheme")

In July 2017, the Group launched an EMI share option scheme relating to shares in Tatton Asset Management plc, to enable senior management to participate in the equity of the Company. 3,022,733 options with a weighted average exercise price of £1.89 were granted, exercisable in July 2020. There have been 60,000 (2024: nil) options exercised during the year from this scheme.

The scheme was extended in August 2018, August 2019, July 2020, July 2021, July 2022 and July 2023 with 1,720,138, 193,000, 1,000,000, 279,858, 204,523 zero-cost options granted in each respective year. All option schemes are exercisable on the third anniversary of the grant date, meaning that the 2017, 2018, 2019, 2020 and 2021 schemes are currently exercisable. There have been 2,845 options exercised in the year relating to the 2019 scheme and 55,808 options exercised relating to the 2020 scheme. There were 1,684 options and 1,778 options relating to the 2022 and 2023 schemes respectively that vested early and were subsequently exercised. The options granted in 2021 vested and became exercisable in July 2024. There have been 69,911 options exercised during the period from this scheme. None of these options lapsed in the year. The weighted average share price at the date of exercise for all option exercised in the year was £6.52.

There were 451,346 zero-cost options granted in the current financial year. These options were granted in two tranches, 61,964 options granted in July 2024 and 389,382 options granted in February 2025.

A total of 2,822,301 options remain outstanding at 31 March 2025, 1,941,486 of which are currently exercisable. 6,649 options were forfeited in the period (2024: 64,524). The weighted average contractual life for share options outstanding at the end of the period was 5.29 years (2024: 5.55 years).

The vesting conditions for the scheme are detailed in the Remuneration Committee report on page 71. The weighted average fair value of the options granted during the year was £6.69. Within the accounts of the Group, the fair value at grant date is estimated using the appropriate models, including both the Black–Scholes and Monte Carlo modelling methodologies. Share price volatility has been estimated using the historical share price volatility of the Company. Key valuation assumptions and the costs recognised in the accounts during the period are noted in 25.2 and 25.3, respectively.

	NUMBER OF SHARE OPTIONS GRANTED	WEIGHTED AVERAGE PRICE (£)
Outstanding at 1 April 2023	2,804,439	0.59
Granted during the period	204,523	–
Exercised during the period	(346,896)	–
Forfeited during the period	(64,524)	–
Lapsed during the period	(27,912)	–
Outstanding at 31 March 2024	2,569,630	0.64
Exercisable at 31 March 2024	1,878,861	0.88
Outstanding at 1 April 2024	2,569,630	0.64
Granted during the period	451,346	–
Exercised during the period	(192,026)	0.59
Forfeited during the period	(6,649)	–
Outstanding at 31 March 2025	**2,822,301**	**0.54**
Exercisable at 31 March 2025	**1,941,486**	**0.79**

(ii) Tatton Asset Management plc Sharesave scheme ("TAM Sharesave scheme")

In July 2020, August 2021, August 2022, August 2023, and August 2024, the Group launched all employee Sharesave schemes for options over shares in Tatton Asset Management plc, with the schemes in the periods 2020 and 2021 being administered by Yorkshire Building Society and the schemes in 2022, 2023, and 2024 being administered by Link Group. Employees are able to save between £10 and £500 per month over the three-year life of each scheme, at which point they each have the option to either acquire shares in the Company or receive the cash saved.

The 2021 TAM Sharesave scheme vested in August 2024 and 37,480 share options became exercisable. Over the life of the 2022 TAM Sharesave scheme, it is estimated that, based on current savings rates, 45,046 share options will be exercisable at an exercise price of £3.26. Over the life of the 2023 TAM Sharesave scheme, it is estimated that, based on current savings rates, 85,569 share options will be exercisable at an exercise price of £3.89. Over the life of the 2024 TAM Sharesave scheme, it is estimated that, based on current savings rates, 30,946 share options will be exercisable at an exercise price of £5.62. 37,480 options were exercised in the year at a weighted average share price at the date of exercise of £7.09. The weighted average contractual life for share options outstanding at the end of the period was 1.49 years (2024: 1.54 years).

25 | Share-based payments continued

The options granted as part of the scheme launched in 2024 have a weighted average fair value of £5.62. Within the accounts of the Group, the fair value at grant date is estimated using the Black–Scholes methodology for 100% of the options. Share price volatility has been estimated using the historical share price volatility of the Company. Key valuation assumptions and the costs recognised in the accounts during the period are noted in 25.2 and 25.3, respectively.

	NUMBER OF SHARE OPTIONS GRANTED	WEIGHTED AVERAGE PRICE (£)
Outstanding at 1 April 2023	95,095	2.57
Granted during the period	90,473	2.93
Forfeited during the period	(6,810)	3.22
Exercised during the period	(108,781)	2.29
Outstanding at 31 March 2024	69,977	3.53
Exercisable at 31 March 2024	–	–
Outstanding at 1 April 2024	69,977	3.53
Granted during the period	57,372	3.86
Forfeited during the period	(2,710)	3.75
Exercised during the period	(37,480)	3.60
Outstanding at 31 March 2025	**87,159**	**3.71**
Exercisable at 31 March 2025	**–**	**–**

(iii) Fintegrate Financial Solutions Limited Share Option Scheme (“Fintegrate option scheme”)

In June 2023 2,250 share options were granted relating to shares in Fintegrate Financial Solutions Limited with an exercise price of £0.00001 and immediately vested. The fair value of the options granted was £26.07, based on comparable share purchase price at the date of vesting.

A further 13,912 options were granted in January 2025 with an exercise price of £0.00001. All options vested and were exercisable in January 2025. The fair value of the options granted was £3.39, based on comparable share prices at the date of vesting.

All options were exercised in February 2025, and therefore no options outstanding or exercisable at 31 March 2025.

There were no vesting conditions associated with the options.

25.2 Valuation assumptions

Assumptions used in the option valuation models to determine the fair value of options at the date of grant were as follows:

	EMI SCHEME 2024 GRANT 2	2024 GRANT 1	2023	2022	2021	SHARESAVE SCHEME 2024	2023	2022	2021
Share price at grant (£)	**6.64**	**7.04**	4.74	4.03	4.60	**7.14**	4.91	4.25	4.80
Exercise price (£)	**–**	**–**	–	–	–	**5.62**	3.89	3.26	3.60
Expected volatility (%)	**33.93**	**34.49**	35.24	34.05	33.76	**34.36**	35.13	34.05	33.76
Expected life (years)	**2.47**	**3.00**	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00
Risk free rate (%)	**3.96**	**3.98**	4.64	1.71	0.24	**3.81**	4.74	1.71	0.12
Expected dividend yield (%)	**2.41**	**2.27**	3.06	3.11	2.39	**2.24**	2.95	3.11	2.39

25.3 IFRS 2 share-based option costs

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
TAM EMI scheme	**1,335**	1,376
TAM Sharesave scheme	**62**	82
Fintegrate option scheme	**106**	–
Total	**1,503**	**1,458**

The Consolidated Statement of Cash Flows shows an adjustment to Net cash from operating activities relating to share-based payments of £1,413,000 (2024: £1,236,000). This is a charge in the year of £1,503,000 (2024: £1,458,000) adjusted for cash paid relating to National Insurance contributions on the exercise of share options of £90,000 (2024: £222,000). Of the charge of £1,503,000, £1,081,000 is recognised through equity, with the remaining £422,000 relating to the cost of National Insurance contributions that are not accounted for through equity. Within equity, there is also an additional £129,000 relating to the exercise price received on the exercise of share options, which were satisfied through shares held in the EBT rather than through the issue of new shares.

26 | Related party transactions

Ultimate controlling party

The Directors consider there to be no ultimate controlling party.

Relationships

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The Group has trading relationships with the following entities in which Paul Hogarth, a Director, has a beneficial interest:

ENTITY	NATURE OF TRANSACTIONS
Suffolk Life Pensions Limited	The Group pays lease rental payments on an office building held in a pension fund by Paul Hogarth.
Hermitage Holdings (Wilmslow) Limited	The Group incurs recharged costs from this entity relating to trading activities.

Related party balances

	TERMS AND CONDITIONS	**2025 VALUE OF COST (£'000)**	**BALANCE PAYABLE (£'000)**	2024 VALUE OF COST (£'000)	BALANCE PAYABLE (£'000)
Suffolk Life Pensions Limited	Payable in advance	**(61)**	**(15)**	(47)	(15)
Hermitage Holdings (Wilmslow) Limited	Repayment on demand	**-**	**-**	(12)	–

Balances with related parties are non-interest-bearing.

Key management personnel remuneration

Key management includes Executive and Non-Executive Directors. The compensation paid or payable to key management personnel is as disclosed in note 13.

27 | Alternative performance measures

The Group has identified and defined certain measures that it uses to understand and manage its performance. The measures are not defined under IFRS and are not considered to be a substitute for or superior to IFRS measures, but management believe that these Alternative Performance Measures ("APMs") provide stakeholders with additional helpful information and enable an alternative comparison of performance over time. The APMs should not be viewed in isolation, but as supplementary information. APMs may not be comparable with similarly titled measures presented by other companies.

The APMs are used by the Board and management to analyse the business and financial performance, track the Group's progress, and help develop long-term strategic plans. Some APMs, where noted in the table, are used as key management incentive metrics. The APMs provide additional information to investors and other external shareholders, to provide additional understanding of the Group's results of operations as supplemental measures of performance.

27 | Alternative performance measures continued

APM	CLOSEST EQUIVALENT MEASURE	RECONCILING ITEMS TO THEIR STATUTORY MEASURE	DEFINITION AND PURPOSE
Adjusted operating profit	Operating profit	Items in note (a) below	The reconciliation between Operating profit and adjusted operating profit can be seen on the face of the Consolidated Statement of Total Comprehensive Income. See note 7 for the value of the adjusting items. This is a key management incentive metric.
Adjusted operating profit margin	Operating profit margin	Items in note (a) below	Adjusted operating profit divided by revenue to report the margin delivered. Progression in the adjusted operating margin is an indicator of the Group's operating efficiency. See note 7 for the value of the adjusting items.
Cash generated from operations before exceptional items	Cash generated from operations	Cash flows from exceptional items	Cash generated from operations is adjusted to exclude cash flows from exceptional items. The reconciliation between cash generated from operations and Cash generated from operations before exceptional items can be seen on the Statement of Cash Flows, when relevant. This is a measure of the cash generation and working capital efficiency of the Group's operations and is a key management performance measure.
Adjusted earnings per share – Basic	Earnings per share – Basic	Items in note (b) below	Profit after tax attributable to shareholders of the Company is adjusted to exclude separately disclosed items, as detailed in note 11, and is divided by the same denominator as Basic EPS; this being the weighted average number of ordinary shares in issue. Adjusted EPS – Basic is presented to reflect the impact of the separately disclosed items included in adjusted operating profit.

APM	CLOSEST EQUIVALENT MEASURE	RECONCILING ITEMS TO THEIR STATUTORY MEASURE	DEFINITION AND PURPOSE
Adjusted earnings per share – Fully Diluted	Earnings per share – Diluted	Items in note (b) below	Profit after tax is adjusted to exclude separately disclosed items, as detailed in note 11, and is divided by the total number of dilutive shares, assuming that all contingently issuable shares will fully vest. The reconciliation and calculation of Adjusted EPS – Diluted is shown in note 11. Adjusted EPS – Fully Diluted is presented to reflect the impact of the separately disclosed items included in Adjusted operating profit and to include all shares that are contingently issuable, assuming that share options fully vest. This is a key management incentive metric.
Tatton – assets under management ("AUM") and net inflows	None	Not applicable	AUM is representative of the customer assets and is a measure of the value of the customer base. Movements in this base are an indication of performance in the year and growth of the business to generate revenue going forward. Net inflows measure the net of inflows and outflows of customer assets in the year. Net inflows are a key management incentive metric.
Tatton – assets under influence ("AUI")	None	Not applicable	AUI is representative of the customer assets that are not directly managed by Tatton but over which we hold influence, due to our shareholding in the company in which they are managed, and is a measure of the value of the customer base. Movements in this base are an indication of our participation in the joint venture and its growth, in order to generate Tatton's share of profits going forward.
Tatton firms	None	Not applicable	Alternative growth measure to revenue; provides an operational view of growth in the Tatton division.
Paradigm – Consulting members, Mortgages lending and member firms	None	Not applicable	Alternative growth measure to revenue; provides an operational view of growth in the Paradigm division, which is supported by two main service lines: Consulting and Mortgages.

27 | Alternative performance measures continued

APM	CLOSEST EQUIVALENT MEASURE	RECONCILING ITEMS TO THEIR STATUTORY MEASURE	DEFINITION AND PURPOSE
Return on capital employed ("ROCE")	None	Not applicable	ROCE is calculated as the annual adjusted operating profit for the last twelve months, as shown on the Consolidated Statement of Total Comprehensive Income, expressed as a percentage of the average total assets less current liabilities. The denominator for 2025 is £47.8m (2024: £44.2m). ROCE measures how effectively we have deployed our resources and how efficiently we apply our capital.

(a) Reconciling items include: Exceptional items, share-based payments, changes in the fair value of contingent consideration, amortisation of acquisition-related intangibles, and operating loss relating to non-controlling interest.

(b) Reconciling items include: Exceptional items, share-based payments, changes in the fair value of contingent consideration, amortisation of acquisition-related items, unwinding of discount on contingent consideration, and the tax thereon.

28 | Post balance sheet events

There have been no post balance sheet events.

29 | Capital commitments

At 31 March 2025, the Directors confirmed there were no capital commitments (2024: none) for capital improvements.

30 | Contingent liabilities

At 31 March 2025, the Directors confirmed there were no contingent liabilities (2024: none).

COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Non-current assets			
Investments in subsidiaries	8	**80,730**	80,176
Investments in joint ventures	9	**5,256**	5,352
Intangible assets		**10**	8
Property, plant and equipment	10	**274**	652
Lease receivable	11	**440**	–
Trade and other receivables	12	**8,767**	8,767
Total non-current assets		**95,477**	94,955
Current assets			
Financial assets at fair value through profit or loss	13	**1,021**	–
Lease receivable	11	**139**	–
Trade and other receivables	12	**4,478**	1,863
Cash and cash equivalents	14	**18,640**	18,691
Total current assets		**24,278**	20,554
Total assets		**119,755**	115,509
Current liabilities			
Trade and other payables	15	**(13,712)**	(10,780)
Total current liabilities		**(13,712)**	(10,780)
Net current assets		**10,566**	9,774
Total assets less current liabilities		**106,043**	104,729
Non-current liabilities			
Other payables	15	**(582)**	(567)
Total non-current liabilities		**(582)**	(567)
Total liabilities		**(14,294)**	(11,347)
Net assets		**105,461**	104,162

	NOTE	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Equity attributable to equity holders of the Company			
Share capital	16	**12,110**	12,102
Share premium account		**15,614**	15,487
Own shares	17	**(2,363)**	(3,278)
Merger reserve		**67,316**	67,316
Share-based payments reserve		**2,959**	2,959
Joint venture reserve		**(1,612)**	(1,464)
Retained earnings		**11,437**	11,040
Total equity		**105,461**	104,162

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own Statement of Comprehensive Income for the year ended 31 March 2025. The Company generated a profit of £10,554,000 during the financial year (2024: profit of £11,001,000).

The financial statements were authorised and approved by the Board of Directors on 9 June 2025 and were signed on its behalf by:

PAUL EDWARDS
DIRECTOR

Company registration number: 10634323

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	SHARE CAPITAL (£'000)	SHARE PREMIUM (£'000)	OWN SHARES (£'000)	MERGER RESERVE (£'000)	SHARE-BASED PAYMENTS RESERVE (£'000)	JOINT VENTURE RESERVE (£'000)	RETAINED EARNINGS (£'000)	TOTAL EQUITY (£'000)
At 1 April 2023	12,011	15,259	–	67,316	2,434	(21)	9,056	106,055
Profit and total comprehensive income	–	–	–	–	–	(1,188)	12,189	11,001
Dividends	–	–	–	–	–	–	(10,846)	(10,846)
Share-based payments	–	–	–	–	525	–	455	980
Issue of share capital on exercise of employee share options	91	228	–	–	–	–	–	319
Own shares acquired in the year	–	–	(3,347)	–	–	–	–	(3,347)
Own shares utilised on exercise of options	–	–	69	–	–	–	(69)	–
Transfers	–	–	–	–	–	(255)	255	–
At 31 March 2024	12,102	15,487	(3,278)	67,316	2,959	(1,464)	11,040	104,162
Profit and total comprehensive income	**–**	**–**	**–**	**–**	**–**	**(148)**	**10,702**	**10,554**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**(10,440)**	**(10,440)**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**1,100**	**1,100**
Issue of share capital on exercise of employee share options	**8**	**127**	**–**	**–**	**–**	**–**	**–**	**135**
Own shares acquired in the year	**–**	**–**	**965**	**–**	**–**	**–**	**(965)**	**–**
Own shares utilised on exercise of options	**–**	**–**	**(50)**	**–**	**–**	**–**	**–**	**(50)**
At 31 March 2025	**12,110**	**15,614**	**(2,363)**	**67,316**	**2,959**	**(1,612)**	**11,437**	**105,461**

The merger reserve was created on 19 June 2017 when the Group was formed, where the difference between the Company's capital and the acquired Group's capital has been recognised as a component of equity being the merger reserve. The merger reserve was created through merger accounting principles on the share-for-share exchange on the formation of the Group and is non-distributable. The joint venture reserve represents the Company's share of post-tax losses yet to be received (for example, in the form of dividends or distributions). The share-based payments reserve is non-distributable and represents the fair value of share options granted to employees of subsidiary companies.

1. | Authorisation of financial statements and statement of compliance with FRS101

The financial statements of Tatton Asset Management plc for the year ended 31 March 2025 were authorised for issue by the Board of Directors on 17 June 2025. Tatton Asset Management plc is incorporated and domiciled in England and Wales.

Tatton Asset Management plc (the "Company") is a public company limited by shares. The address of the registered office is Paradigm House, Brooke Court, Lower Meadow Road, Wilmslow, SK9 3ND. The registered number is 10634323. The principal activity of the Company is that of a holding company.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and in accordance with applicable accounting standards. The Company's financial statements are presented in sterling.

These financial statements have been prepared on a going concern basis and on the historical cost basis, except for financial assets and financial liabilities measured at fair value. The principal accounting policies adopted by the Company are set out in note 2, below.

2. | Material accounting policies

2.1 Accounting policies

The accounting policies that follow set out those policies that apply in preparing the financial statements for the year ended 31 March 2025.

In the current year, the Company has applied a number of amendments to the IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"), which are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own Statement of Comprehensive Income for the year ended 31 March 2025.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information with respect to Paragraph 79(a)(IV) of IAS 1;
b) the requirements of paragraphs 10(d), paragraph 16, 38A, 38B-D, 111 and 134–136 of IAS 1 'Presentation of Financial Statements' and the requirements of IAS 7 'Statement of Cash Flows';
c) the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
d) the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment';
e) the requirements of paragraph 17 of IAS 24 'Related Party Disclosures';
f) the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
g) the disclosure requirements of IFRS 7 'Financial Instruments: Disclosures';
h) the disclosure requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement'; and
i) the requirements of paragraph 58 of IFRS 16 'Leases'.

Where required, equivalent disclosures are given in the consolidated financial statements.

The accounting policies adopted are the same as those set out in note 2 of the Consolidated financial statements, which have been applied consistently, apart from the following:

2.2 Investments in subsidiaries

All investments in subsidiaries are initially recorded at cost, being the fair value of consideration given, including the acquisition costs associated with the investment. Subsequently, they are reviewed for impairment on an individual basis if events or changes in circumstances indicate that the carrying value may not be fully recoverable. Investments in subsidiaries are stated at cost, less, where appropriate, provisions for impairment.

2.3 Joint ventures

Joint ventures are entities in which the Company has an investment where it, along with one or more other shareholders, has contractually agreed to share control of the business and where decisions over the relevant activities require the unanimous consent of the joint partners. The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, the Company initially records the investment in the Company Statement of Financial Position at the fair value of the purchase consideration (cost), and adjusted thereafter to recognise the Company's share of the entity's profit or loss after tax and amortisation of intangible assets.

2. | Material accounting policies continued

2.3 Joint ventures continued

An investment in a joint venture is accounted for using the equity method, from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. The Company Statement of Financial Position, therefore, subsequently records the Company's share of the net assets of the entity, plus any goodwill and intangible assets that arose on purchase, less subsequent amortisation. The Statement of Changes in Equity records the Company's share of other equity movements of the entity. The joint ventures reserve in the Company Statement of Changes in Equity represents the Company's share of profits in its investments yet to be received (for example, in the form of dividends or distributions), less any amortisation of intangible assets. At each reporting date, the Company applies judgement to determine whether there is any indication that the carrying value of joint ventures may be impaired.

If there is objective evidence that the Company's net investment in a joint venture is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36, to the extent that the recoverable amount of the investment subsequently increases. The Company discontinues the use of the equity method from the date when the investment ceases to be a joint venture.

2.4 Financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

2.5 Financial investments

Financial investments are classified as fair value through profit or loss ("FVTPL") if they do not meet the criteria of fair value through other comprehensive income ("FVOCI") or amortised cost. They are also classified as FVTPL if they are either held for trading or specifically designated in this category on initial recognition. Assets in this category are initially recognised at fair value and subsequently remeasured, with gains or losses arising from changes in fair value being recognised in the Statement of Comprehensive Income. The Company's financial investments include investments in a regulated open-ended investment company that is managed and evaluated on a fair value basis in line with the market value. These financial assets do not meet the criteria of FVOCI or amortised cost as the asset is not held to collect contractual cash flows and/or selling financial assets, and the asset's contractual cash flows do not represent solely payments of principal and interest ("SPPI").

2.6 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Company recognises a right-of-use ("ROU") asset and a lease liability at the commencement date of the lease, with the exception of short-term leases (defined as leases with a lease term of twelve months or less). The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The ROU assets are subsequently depreciated on a straight-line basis over the shorter of the expected life of the asset and the lease term, adjusted for any remeasurements of the lease liability. At the end of each reporting period, the ROU assets are assessed for indicators of impairment, in accordance with IAS 36.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The incremental borrowing rate is determined, where possible, by using recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. The incremental borrowing rate depends on the term, country, currency, and security of the lease, and also the start date of the lease.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently measured by adjusting the carrying amount to reflect the interest charge, the lease payments made, and any reassessment or lease modifications. The lease liability is remeasured if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option.

2. | Material accounting policies continued

2.6 Leases continued

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

Where the Company is an intermediate lessor in a sub-lease, it accounts for its interests in the head lease and the sub lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset.

2.7 Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

2.8 Trade and other payables

Trade and other payables, except for those that are financial liabilities at fair value through profit or loss "FVTPL", are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period, which are unpaid.

2.9 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL. Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise short-term deposits held with banks by the Company. Cash equivalents are short-term (generally with an original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments, rather than for investment or other purposes.

2.11 Dividends

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a Board meeting prior to the reporting date.

2.12 Share-based payment costs

The Company grants share-based payments to the employees of subsidiary companies. Each period, the fair value of the employee services received by the subsidiary as a capital contribution from the Company is reflected as an addition to investments in subsidiaries.

2.13 Interest income and interest expense

Finance income is recognised as interest accrued (using the effective interest method) on funds invested outside the Company. Finance expense includes the unwinding of discounts on contingent consideration liabilities and the cost of borrowing from third parties and is recognised on an effective interest rate basis, resulting from the financial liability being recognised on an amortised cost basis.

2.14 Critical accounting judgements and key sources of estimated uncertainty

In the process of applying the Company's accounting policies, which are described above, management have made judgements and estimations about the future that have an effect on the amounts recognised in the financial statements. The 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. Changes for accounting estimates would be accounted for prospectively under IAS 8.

Acquired client relationship and brand intangibles

Estimation uncertainty

Impairment of investments in joint ventures

Impairment exists when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that the loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. The entire carrying amount of the investment is tested for impairment, in accordance with IAS 36, as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

For the purposes of impairment testing, the recoverable amount of the investment in the joint venture, 8AM, has been determined based on value in use calculations using a discounted cash flow model that requires the use of assumptions. The pre-tax discount rate applied to the cash flow forecasts is derived from a weighted average cost of capital model, the inputs for which are externally available. The pre-tax discount rate used to calculate value is 16.9% (2024: 16.3%). The model assesses sensitivity to operating margins, discount rates, and AUM growth rates. No impairment has been identified in the current year (2024: £1,250,000).

The Group has conducted an analysis of the sensitivity to changes in the key assumptions used to determine amount and timing of cash flows, including:

- a reduction in growth rate;
- a reduction in the terminal growth rate; and
- an increase in the discount rate.

2. | Material accounting policies continued

2.14 Critical accounting judgements and key sources of estimated uncertainty continued

Reducing forecast growth rates for the five year forecast period reduces headroom above the threshold for impairment by c.£475,000 for every 5% reduction in growth. Reducing the terminal growth rate to 0% would reduce headroom above the threshold for impairment by c.£355,000. Increasing the discount rate would reduce headroom above the threshold for impairment by c.£520,000 for every 1% increase in discount rate.

2.15 Employee Benefit Trust

The Company provides finance to the EBT to purchase the Company's shares on the open market, in order to meet its obligation to provide shares when an employee exercises awards made under the Group's share-based payment schemes. Administration costs connected with the EBT are charged to the Company Statement of Comprehensive Income.

The cost of shares purchased and held by the EBT is deducted from equity in the Company. The assets held by the EBT are consolidated into the Group's financial statements. Any consideration paid or received for the purchase or sale of these shares is shown as a reduction in the reconciliation of movements in shareholders' funds. No gain or loss is recognised in the Statement of Comprehensive Income on the purchase, sale, issue, or cancellation of these shares.

3 | Operating profit

The operating profit and the profit before taxation are stated after charging:

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Share-based payments (note 7)	**800**	932
Impairment of investment in joint venture (note 9)	**-**	1,250

Share-based payment charges relate to the provision made in accordance with IFRS 2 'Share-based Payment' following the issue of share options to employees.

4 | Services provided by the company's auditor

During the period, the Company obtained the following services provided by the Company's auditor.

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Audit of the statutory financial statements of TAM plc	**149**	130

5 | Dividends paid and proposed

Details of the dividends paid and proposed are shown in note 12 to the consolidated financial statements.

6 | Directors and employees

The average number of persons employed by the Company during each year was as follows:

	31-MAR 2025	31-MAR 2024
Administration	**16**	15

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Wages, salaries and bonuses	**2,758**	2,184
Social security costs	**373**	260
Pension costs	**44**	33
Share-based payment charges	**800**	932
Total employee benefit expense	**3,975**	3,409

The remuneration relating to Executive Directors has been included in the figures above.

Key management compensation

The remuneration of the statutory Directors who are the key management of the Group is set out below in aggregate for each of the key categories specified in IAS 24 'Related Party Disclosures'.

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Short-term employee benefits	**2,342**	1,508
Share-based payments	**552**	571
	2,894	2,079

The remuneration of individual Directors is provided in the Remuneration Committee Report on page 69. These disclosures form part of these financial statements. The short-term employee benefits above excludes the remuneration for one of the Directors, Lothar Mentel, as these costs are incurred by a subsidiary company.

6 | Directors and employees continued

There are no retirement benefits (2024: none) in the year accruing to Directors (2024: none) under a defined contribution pension scheme. Dividends totalling £1,883,000 (2024: £2,026,000) were paid in the year with respect to ordinary shares held by the Company's Directors. The aggregate gains made by the Directors on the exercise of share options during the year were £304,600 (2024: £248,250).

The remuneration of the highest paid Director was:

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Total remuneration and benefits in kind	**1,233**	695

The highest paid Director exercised nil share options in the period (2024: nil). There were 110,887 share options granted to the highest paid Director in the year (2024: 20,000). There was £nil (2024: £nil) of money or net assets (other than share options) paid to or receivable by the highest paid Director under long-term incentive schemes in respect of qualifying services. The highest paid Director received £1,599,000 (2024: £1,740,000) in dividends in the year with respect to ordinary shares held by the Director and connected parties. No contributions were made to a defined contribution scheme with respect to the highest paid Director in the period.

7 | Share-based payments

During the year, a number of share-based payment schemes and share option schemes have been utilised by the Company, as described below.

(i) Tatton Asset Management plc EMI scheme ("TAM EMI scheme")

Each year since listing in 2017, the Company has granted shares under an EMI share option scheme to its employees. During the year, 60,000 options, with an exercise price of £1.89, and 2,257 zero-cost options have been exercised at a weighted average share price at date of exercise of £6.70 (2024 £4.97). At the end of the financial year, there were 2,210,828 options outstanding, with an average exercise price of £0.86, 1,726,411 of which are currently exercisable. The weighted average remaining contractual life for outstanding share options is 4.72 years (2024 4.80 years).

(ii) Tatton Asset Management plc Sharesave scheme ("TAM Sharesave scheme")

TAM employees can take part in the TAM Sharesave scheme, where they are able to save between £10 and £500 per month over the three-year life of each scheme, at which point they each have the option to either acquire shares in the Company or receive the cash saved. During the year, 10,000 share options have been exercised at a weighted average price of £6.80. At the end of the financial year, there were 14,170 options outstanding (2024: 14,802), with a range of exercise prices of £3.26 to £5.62. The weighted average contractual life for share options outstanding at the end of the period was 1.32 years (2024: 1.35 years). Further details of share-based payments are shown in note 25 to the consolidated financial statements.

8 | Investments in subsidiaries

	(£'000)
Cost and net book value at 1 April 2023	79,650
Share-based payments	526
Cost and net book value at 31 March 2024	**80,176**
Share-based payments	**554**
Cost and net book value at 31 March 2025	**80,730**

The Company's investment in subsidiaries represent 100% interest (unless otherwise stated) in the ordinary share capital of the subsidiaries listed below:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	HOLDING	DIRECT/INDIRECT
Nadal Newco Limited	United Kingdom	100%	Direct
Paradigm Partners Limited	United Kingdom	100%	Indirect
Paradigm Mortgage Services LLP	United Kingdom	100%	Indirect
Tatton Capital Group Limited*	United Kingdom	100%	Indirect
Tatton Capital Limited	United Kingdom	100%	Indirect
Tatton Investment Management Limited	United Kingdom	100%	Indirect
Tatton Oak Limited*	United Kingdom	100%	Indirect
Tatton Crown Investments Limited*	United Kingdom	100%	Indirect
Sinfonia Asset Management Limited*	United Kingdom	100%	Indirect
Fintegrate Financial Solutions Limited**	United Kingdom	53.36%	Indirect

* Indicates that this subsidiary is entitled to exemption from audit under section 479A of the Companies Act 2006 for the year ending 31 March 2025.

** Holding changed from 56.49% to 53.36% in the year.

All entities above are included within the consolidated financial statements for TAM plc and all have the same registered address as the Company, with the exception of Fintegrate Financial Solutions Limited ("Fintegrate"). The registered address of Fintegrate is Unit 1 Guest House Farm, Runshaw Lane, Euxton, Chorley, Lancashire, PR7 6HD.

There are no non-controlling interests that are material to the Group.

9 | Investments in joint ventures accounted for using the equity method

	(£'000)
At 1 April 2024	5,352
Profit for the year after tax	59
Amortisation of intangible assets relating to joint ventures	(207)
Deferred tax credit on amortisation of intangible assets relating to joint ventures	52
At 31 March 2025	**5,256**

8AM belongs to the Tatton operating segment as disclosed within note 4 of the consolidated financial statements.

NAME OF JOINT VENTURE	NATURE OF BUSINESS	PRINCIPAL PLACE OF BUSINESS	CLASS OF SHARE	PERCENTAGE OWNED BY THE GROUP
8AM Global Limited	Investment Management	United Kingdom	Ordinary Shares	50.0%
Niche Investment Management Limited	Investment Management	United Kingdom	Ordinary Shares	50.0%
Becketts Wealth Limited	Investment Management	United Kingdom	Ordinary Shares	50.0%

All of the above joint ventures are accounted for using the equity method in these consolidated financial statements, as set out in the Group's accounting policies in note 2.

Summarised financial information in respect of the Group's only material joint venture, 8AM, is set out below.

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Non-current assets	**24**	29
Current assets	**735**	645
Current liabilities	**(161)**	(178)
Total equity	**598**	496
Group's share of net assets	**297**	238
Goodwill and intangible assets	**5,344**	5,551
Deferred tax liability	**(385)**	(437)
Carrying value held by the Group	**5,256**	5,352

Current assets above include £502,000 of cash and cash equivalents (2024: £345,000). There are no current or non-current financial liabilities, excluding trade and other payables and provisions, included in current liabilities and non-current liabilities.

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Revenue	**1,473**	1,732
Profit for the year	**117**	539
Dividends received	**–**	255
The above profit includes the following:		
Depreciation and amortisation	**5**	7
Interest income	**10**	6
Income tax	**43**	282

There is no interest expense in the year (2024:£nil).

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Joint venture's profit for the year	**117**	539
Company's share profit for the year before adjustments	**59**	269
Amortisation of customer relationship intangible assets	**(207)**	(207)
Impairment loss	**–**	(1,250)
Company's share of loss for the year	**(148)**	(1,188)

8AM Global Limited has a reporting date of 30 June and its registered address is The Thatched Office Manor Farm, Andover, Hampshire, SP11 8PG. The net asset position shown in the table above is as at 31 March, to align with the Group's own reporting. Shares held in 8AM Global Limited consist of 50% equity A ordinary shares and 50% executive B ordinary shares.

Niche Investment Management Limited and Becketts Wealth Limited both have a reporting date of 31 March, in line with the Group. The Group's interest in all individually immaterial joint ventures accounted for using the equity method is £nil (2024: £nil). The Group's share of profit for the year for these joint ventures is £nil (2024: £nil).

10 | Property, plant and equipment

	COMPUTER, OFFICE EQUIPMENT AND MOTOR VEHICLES (£'000)	RIGHT-OF-USE ASSETS – BUILDINGS (£'000)	TOTAL (£'000)
Cost			
Balance at 1 April 2023	42	–	42
Additions	29	622	651
Disposals	(18)	–	(18)
Balance at 31 March 2024	53	622	675
Additions	11	278	289
Derecognition of sublease	–	(622)	(622)
Balance at 31 March 2025	64	278	342
Accumulated depreciation and impairment			
Balance at 1 April 2023	(28)	–	(28)
Charge for the period	(13)	–	(13)
Disposals	18	–	18
Balance at 31 March 2024	(23)	–	(23)
Charge for the period	(17)	(28)	(45)
Balance at 31 March 2025	(40)	(28)	(68)
Net book value			
As at 1 April 2023	14	–	14
As at 31 March 2024	30	622	652
As at 31 March 2025	**24**	**250**	**274**

The Company leases buildings and IT equipment. The Group has applied the practical expedient for short-term leases and so has not recognised IT equipment within ROU assets. The average lease term is five years.

One lease was recognised in the prior year and has been sub-leased to Tatton Investment Management Limited in the year. The asset has been derecognised and is now classified as a finance lease receivable (see note 11).

Right-of-use assets

Within the profit and loss, there has been £28,000 (2024: £nil) in respect of depreciation on right-of-use assets, £11,000 in respect of interest expenses on lease liabilities, and £1,000 (2024: £1,000) in respect of short-term leases.

At 31 March 2025, the Company is committed to £nil for short-term leases (2024: £nil).

The total cash outflow for leases amounts to £159,000 (2024: £141,000).

11 | Lease receivable

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Current	**139**	–
Non-current	**440**	–
	579	–

Finance lease arrangements

The Company has entered into a lease arrangement as a lessor that is considered to be a finance lease.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received, are as follows:

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Less than 1 year	**177**	–
1–2 years	**193**	–
2–5 years	**314**	–
Total undiscounted lease payments receivable	**684**	–
Unearned finance income	**(105)**	–
Net Investment in the lease	**579**	–

The total cash inflow for all lease receivables amounts to £97,000 (2024: £nil). The cash inflows for the principal portion of lease payments is categorised within investing activities, whilst the interest portion of lease receivable is categorised within financing activities.

12 | Trade and other receivables

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Amounts due from related parties	**12,555**	10,031
Prepayments	**206**	457
Other receivables	**484**	142
	13,245	10,630
Less non-current portion:		
Other receivables	**(8,767)**	(8,767)
Total non-current trade and other receivables	**(8,767)**	(8,767)
Total current trade and other receivables	**4,478**	1,863

The carrying value of trade and other receivables are considered a fair approximation of their fair value. The Company applies the IFRS 9 simplified approach to measuring expected credit losses ("ECLs") for intercompany receivables at an amount equal to twelve month ECLs, due to there being no significant increase in the credit risk since the loan was first recognised. After consideration of current credit exposures, the Company does not expect to incur any credit losses and has not recognised any ECLs in the current year (2024: £nil).

Related party balances are non-interest-bearing and are repayable on demand. £8,767,000 of amounts due from related parties has been recognised as a non-current receivable, as it is not expected that this amount will be repaid during the next twelve months.

13 | Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss relate to financial investments in regulated funds or model portfolios. These financial assets are included in the disclosure in note 22 of the consolidated financial statements. The financial investments are classified as level 1 in the fair value measurement hierarchy.

The Company invested £1,000,000 in the financial investments during the year, with the gain of £21,000 being recognised in the Statement of Total Comprehensive Income. As at the year end date, the financial assets had a value of £1,021,000.

14 | Cash and cash equivalents

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Cash at bank	**18,640**	18,691

15 | Trade and other payables

	31-MAR 2025 (£'000)	31-MAR 2024 (£'000)
Trade payables	**60**	128
Amounts due to related parties	**9,499**	8,319
Accruals	**980**	763
Tax and social security	**2,895**	1,523
Other payables	**61**	-
Lease liabilities	**799**	614
	14,294	11,347
Less non-current portion:		
Lease liabilities	**(582)**	(567)
Total non-current trade and other payables	**(582)**	(567)
Total current trade and other payables	**13,712**	10,780

The carrying values of trade payables, amounts due to related parties, accruals, and deferred income are considered a reasonable approximation of fair value. Amounts due to related parties are repayable on demand and are non-interest-bearing. Non-current trade and other payables of £582,000 relate to lease liabilities, all of which fall due in more than one year and less than five years (2024: £nil). There are no amounts that fall due in more than five years (2024: £nil).

Trade payable amounts are all held in sterling.

16 | Equity

	NUMBER OF SHARES
Authorised, called-up, and fully paid £0.20 ordinary shares	
At 1 April 2023	60,055,722
Issue of share capital on exercise of employee share options	455,678
At 31 March 2024	60,511,400
Issue of share capital on exercise of employee share options	37,480
At 31 March 2025	**60,548,880**

Each share in Tatton Asset Management plc carries one vote and the right to a dividend.

17 | Own shares

The following movements in own shares occurred during the year:

	NUMBER OF SHARES	£'000
At 1 April 2023	–	–
Acquired in the year	658,800	3,278
New share capital issued to EBT	346,896	69
Utilised on exercise of employee share options	(346,896)	(69)
At 1 April 2024	658,800	3,278
Acquired in the year	7,664	50
Utilised on exercise of employee share options	(193,660)	(965)
At 31 March 2025	**472,804**	**2,363**

Own shares represent the cost of the Company's own shares, either purchased in the market or issued by the Company, which are held by an EBT to satisfy future awards under the Group's share-based payment schemes (note 7).

18 | Contingent liabilities

At 31 March 2025, the Directors confirmed there were no contingent liabilities (2024: none).

19 | Capital commitments

At 31 March 2025, the Directors confirmed there were no capital commitments (2024: none) for capital improvements.

20 | Related party transactions

The Company has taken advantage of the exemption under paragraph 8(K) of FRS 101 not to disclose transactions with entities that are wholly owned subsidiaries of TAM plc. There are no related party transactions other than those that have been disclosed in note 26 to the consolidated financial statements.

20.1 Transactions with key management personnel

Other than the Directors and Officers of the Group (see note 26 to the consolidated financial statements), no other key management personnel have been identified.

21 | Post balance sheet events

There have been no post balance sheet events.

22 | Ultimate controlling party contingent liabilities

The Directors consider that there is no ultimate controlling party.

luminous
Design and production
www.luminous.co.uk

www.tattonassetmanagement.com

enquiries@tattonassetmanagement.com

Tatton
ASSET MANAGEMENT PLC