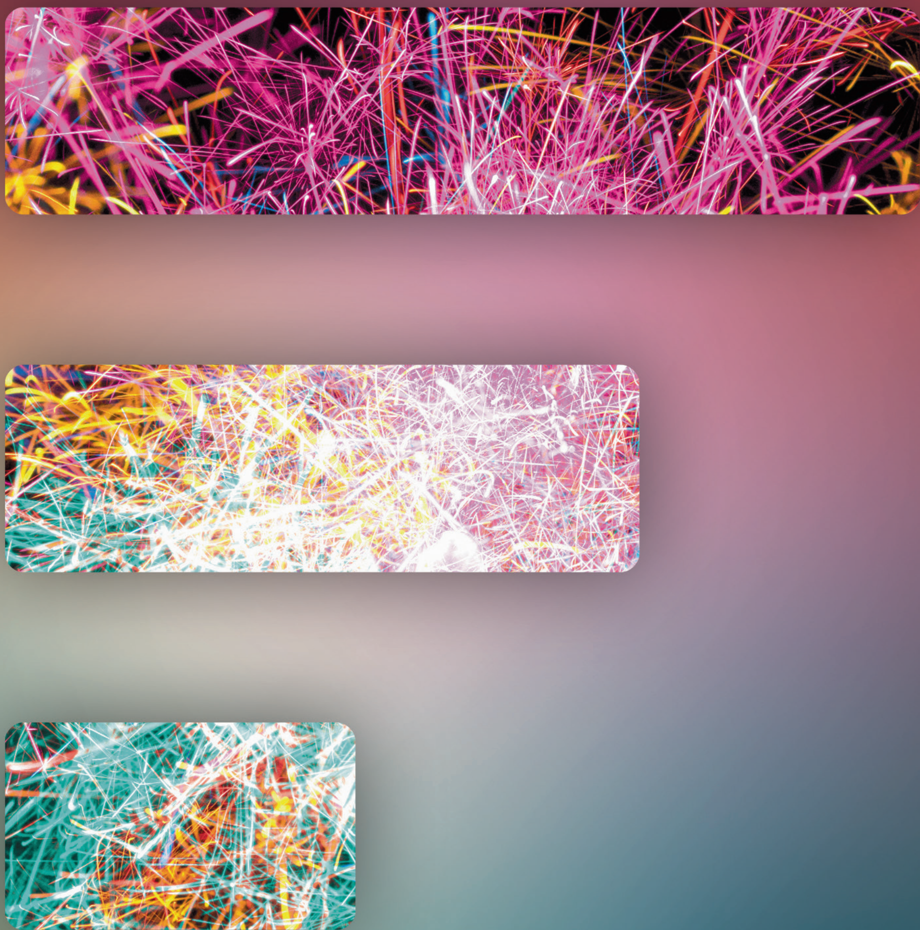
Inspiring Better Outcomes

Fintel plc
Annual report and accounts 2020



FINTEL
INSPIRING BETTER OUTCOMES

Inspiring Better Outcomes

Operating at the heart of retail financial services, we are a connecting force, inspiring better outcomes that benefit everyone from product providers to intermediaries to consumers.

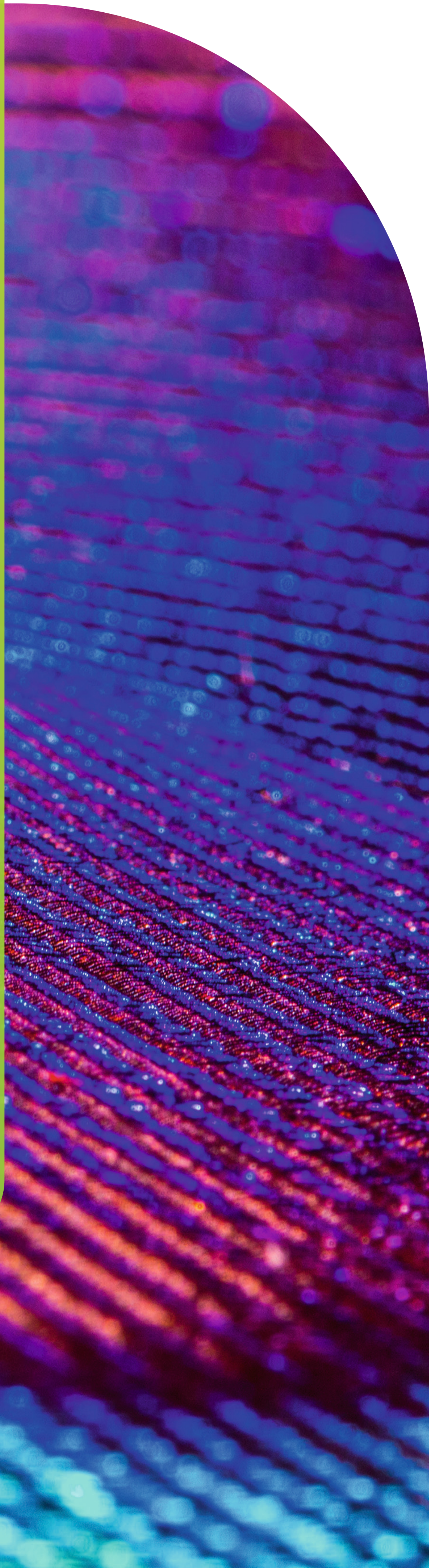
By simplifying and supporting the complex world of financial services, we help create outcomes that leave everyone better off.

It's our defining purpose as a business, shared across our people, our culture and our family of brands.

www.wearefintel.com

"With an expanded market position, Fintech & Service platform, we will continue to work in the best interests of the market, delivering a new era of digital, data led and expert services to the retail financial services sector."

KEN DAVY – NON-EXECUTIVE CHAIRMAN



Highlights

- Rapidly accelerated Digital strategy
- Good growth in core intermediary firms
- Strong growth in Fintech contracts and recommendations
- Robust growth in Defaqto Fund Mappings
- Resilience in Mortgage completions

REVENUE (£M)

£61.0m -3%

ADJUSTED EBITDA* (£M)

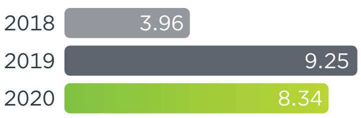
£17.3m -2%

OPERATING PROFIT (£M)

£11.4m -5%

BASIC EPS (P)

8.3p -10%



ADJUSTED EPS** (P)

11.3p -13%

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Stay up to date at wearefintel.com

Alternative performance measures
Adjusted EBITDA and Adjusted EPS are alternative performance measures for which a reconciliation to a GAAP measure is provided in note 8 on page 61.

* Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs. Adjusted profit before tax excludes operating exceptional costs and amortisation of intangible assets arising on acquisition.

** Adjusted earnings per share is calculated as adjusted profit after tax, which excludes operating exceptional costs and amortisation of intangible assets arising on acquisition, divided by the average number of Ordinary Shares in issue for the period.

Simplifying and connecting financial services

A unique market position

We exist to simplify and connect the UK's retail financial services market to help it operate more effectively. We do this by acting in the best interests of the market, connecting and enabling product providers, intermediaries and consumers. By bringing them together – through technology, people, and insights – **we inspire better outcomes for everyone**.

Connecting the market

We are the connecting force within financial services.

By supporting product development with consumer behaviour insights and expert analysis, we help providers create more suitable products, and connect them with intermediaries. Our proprietary research and ratings service improves choice, experience and outcomes for consumers.

Enabling the market

We empower product providers, intermediaries and consumers by giving them the tools and expertise they need to make better informed decisions. We continuously develop our network of brands, our technology, and our team, to deliver the solutions the market needs to evolve.

Fintel; Combining the largest provider of support services to financial intermediaries with the UK's leading Fintech, research and ratings business, we inspire better financial outcomes for product providers, intermediaries and consumers."

KEN DAVY – NON-EXECUTIVE CHAIRMAN

Knowledge

We take the challenges our customers face and transform them into effective, relevant solutions which benefit everyone.

17%
of new IFA and mortgage firm regulatory applications are advised by experts from Fintel

Influence

We use our intelligence, awareness and experience to connect our clients with consumers and shape a better financial future.

£30bn
of retail financial transactions were supported by Fintel product recommendations in 2020

Reach

Combining the largest provider of intermediary business support with the industry leading financial information, ratings and Fintech business, we serve a diverse customer base with an extensive product platform to inspire better outcomes for all.

10,000
financial intermediaries using Fintel services or technology

INSPIRING BETTER OUTCOMES

Connecting product providers, intermediaries and consumers through technology, expertise and insight

"Our focus is to lead the financial services industry in the provision of digital, data led and expert services to help it evolve to its greatest potential."

MATT TIMMINS – JOINT CEO

OUR STRATEGIC PRIORITIES

- Accelerating digital delivery
- Growth in value per customer
- Growth in higher value customers
- Capital & cash efficiency
- Effective cost control

A growth market

- Strong organic growth potential* driven by regulatory change
- A capital light and regulatory light model
- High rates of digital adoption

* Organic growth is defined as the year on year increase in a financial metric, excluding the impact of acquisitions.

26% of retail investment and mortgage firms are SimplyBiz members

10,000 financial intermediaries using Fintel services or technology

TARGETING CUSTOMER GROWTH, MARGIN GROWTH

A proven approach

- Leading Fintech and support services platform
- Unrivalled scale and market reach
- Market leading expertise and knowledge

17%
the number of new IFA and mortgage firm regulatory applications that our experts support

3.8m
product features mapped

Award winning, scalable services

- A house of quality award winning brands and propositions
- A diverse customer base with strong retention
- High levels of professional and consumer recognition

88%
of consumers are more likely to purchase a Defaqto rated product

80%
of provider partners are repeat clients

AND GROWING QUALITY EARNINGS FOR SHAREHOLDERS

Chairman's statement

Ken Davy – Chairman

Inspiring better outcomes across retail financial services

I am delighted to present our annual report and accounts as Chairman of the newly named, Fintel (formerly The SimplyBiz Group) – a Fintech and support services Company acting at the very heart of Retail Financial Services with scale, breadth and dynamism. Our House of Quality Brands combines the largest provider of support services to financial intermediaries with the UK's leading Fintech, research and ratings business. Harnessing our market-leading knowledge, influence and ability to simplify complexity, we inspire better outcomes.

Year in review

It would be impossible to look back at 2020 without reflecting on the impact COVID-19 has had on all our lives. Since the onset of the pandemic our colleagues, partners, and the firms we serve, have all shown remarkable resilience, agility and professionalism, and I would like to thank each and every one of them for their support during the year. I want to applaud all our teams who have worked tirelessly to adapt to the new ways of working remotely to ensure our service excellence was maintained throughout.

COVID-19 has dramatically accelerated the digital development of the Company and fuelled the creation of Fintel. As we approached the first lockdown in March the management team took significant actions to ensure the safety of, and ongoing support of our employees and customers through the delivery of a significant digital transformation programme.

Financials

Ahead of our guidance issued at half year, Adjusted EPS was delivered at 11.3 pence per share through our robust and recurring software as a service ("SaaS") & subscription revenues. The resilience of the firms we serve together with our enhanced Fintech platform partially offset the reductions seen in housing valuations and intermediary events caused by the COVID restrictions.

Dividend

I am pleased to confirm that the Directors are recommending a final dividend of 2.85 pence per share. The Directors also announce the adoption of a new progressive dividend policy based on earnings growth from FY21 onwards.

OUR VALUES

The shared values that define our approach and our people.

KNOWLEDGE
We take the challenges our customers face and transform them into effective, relevant solutions which benefit everyone.

INFLUENCE
We use our intelligence, awareness and experience to connect our clients with their customers and shape a better financial future.

EXCELLENCE
We demand more of ourselves than our clients and ensure that our people and technology solutions are always the best available.

> Harnessing our market-leading knowledge, influence and excellence, we are able to simplify complexity, think bigger and remain future focused for our clients."

KEN DAVY

The Board

As I announced last year in respect of our succession planning, Gary Hughes will be appointed as Chairman of the Company at the 2021 AGM, and I will assume the role of Deputy Chairman. Gary brings a significant range of corporate and strategic knowledge and perspective to the Board and I have great confidence in handing the reigns to such a worthy successor. Since founding the Company as SimplyBiz in September 2002, it has been an enormous privilege to be Chairman and I would like to thank my fellow Directors, and all the staff, for their many years of unwavering support and commitment. I am equally looking forward to the future as Deputy Chairman and to the next chapter of the Company's exciting future.

I would also like to formally introduce and welcome Imogen Joss, who joined the Board in January 2021 as a Non-Executive Director. Imogen has a strong commercial background with a particular focus on the Fintech space and data analytics. Imogen will be taking over as Chair of the Remuneration Committee following our 2021 AGM and further strengthens the balance of experience and independence on the Board.

As previously reported Gareth Hague will be leaving the Company Board with effect from 31 March 2021 and will therefore not be seeking re-election at the 2021 AGM. I would like to thank Gareth for his valued contribution to the Company over the past 5 years, with particular recognition to his role in supporting the business since our IPO in 2018 and the acquisition of Defaqto in 2019.

David Thompson will be joining the Board as Chief Financial Officer with effect from 1 April 2021 and we are delighted to welcome him to the company. David's commercial acumen and strong ambition to drive value creation through our strategy, will be a great asset as we take the business forward.

For more information about the Board's background and experience, please refer to the Directors' biographies on pages 26 and 27.

ESG and sustainability

We are fully committed to improving our ESG influence – from encouraging the financial services sector as a whole, to offer and promote ethical and green financial products, through to the way we conduct our own operations, we will continue to make strides in this area. This year we are reporting our greenhouse gas emissions in compliance with Streamlined Energy and Carbon Reporting ("SECR") for the first time and are developing a plan to reduce our emissions across all our operations.

You can read more about our ESG work on pages 22 and 23.

Annual General Meeting

We are holding the Company's AGM at Fintel House, St Andrew's Road, Huddersfield, HD1 6NA on 28 April 2021 at 12.30 p.m.

As the lockdown measures remain in place at the time of writing this report, the Board has reluctantly accepted that it is likely that the forthcoming AGM will be subject to limited attendance with only Directors, or their proxies expected to be present in person. Shareholders are therefore encouraged to send in their votes using their proxy cards and submit any questions to us at companysecretary@fintelplc.com. If the situation changes, the Company will update shareholders through an announcement to the London Stock Exchange and on the Company's website.

Outlook

Whilst the roll-out of COVID-19 vaccines is very encouraging, we expect continued disruption to our physical events schedule throughout 2021. Our strategy, built on a strong financial platform and our focus on high tech – high touch digital delivery, however, means that the firms we serve and our strategic partners, can be confident that we will remain by their side to continue to deliver our excellent program of digital events which has been so well attended throughout 2020. I very much look forward to seeing society returning to some 'normality' in 2021, with Government stimulus packages protecting the most vulnerable, whilst providing stability for the economy, markets and business.

As I step down from the chair of Fintel, I am confident that the Company is well positioned to thrive during these uncertain times, and I look forward to continuing to support the Company in achieving its strategic goals as Deputy Chairman for many years to come.

KEN DAVY
Chairman

OUR PILLARS

The value we add

SIMPLIFY COMPLEXITY
We understand the complicated nature of the financial world and help everyone create clear paths towards better outcomes.

THINK BIGGER
We constantly explore new ideas with the interests of our clients and their customers at heart. Focusing through their lens inspires our thinking.

FUTURE FOCUSED
We think ahead, rise to new challenges and break down future barriers to success. Our intuition helps clients maximise opportunities.

Joint Chief Executive Officers' statement

Neil Stevens and Matt Timmins – Joint Chief Executive Officers

We think bigger to deliver excellence

Fintel – Inspiring Better Outcomes

We are Fintel.

We are delighted to have evolved to become Fintel (formerly The SimplyBiz Group). Fintel reflects our relentless drive towards digitisation – putting people, technology, and insights at the heart of all we do. Our focus is to lead the industry we serve in the provision of digital, data led and expert services to help it evolve to its fullest potential.

Fintel harnesses the combined strength and reach of its established businesses, including SimplyBiz, the UK's largest provider of intermediary business support and Defaqto, the UK's leading research, ratings and Fintech business to achieve this.

Overview

We are delighted to report a resilient and robust financial performance in 2020, and the rapid progression of our digital delivery.

Revenues of £61.0m (FY19: £62.8m) demonstrate the resilience and underlying quality of our business and the depth of our customer relationships during a highly disrupted year. Growth in SaaS and subscription revenues, along with a strong performance in our research and ratings, were impacted by the unavoidable reduction of property surveying and events income during the year.

Our digital acceleration coupled with cost saving efficiencies and some government funded support, contributed to a strong adjusted EBITDA* margin of 28.4% (FY19: 28.2%). The resilience of our core business saw growth in both our subscription intermediary firms (FY20: 3,133, FY19: 3,056) and Fintech contracts (FY20: 1,195, FY19: 1,092).

The ongoing quality of our revenues and our continued focus on cash flow efficiency delivered strong free cash flow conversion*** of 69% (FY19: 46%) and reduced net debt to £19.4m (FY19: £27.0m) – representing a net debt to EBITDA ratio of 1.1 times (FY19: 1.5 times).

Divisional performance

Intermediary Services revenue increased 4% to £25.1m (FY19: £24.2m).

Our Intermediary Services division provides compliance and business services to financial intermediary firms through a comprehensive membership model. Members, including financial advisers, mortgage advisers and wealth managers, are regulated by the FCA.

The division also provides employee benefits software to consultants and employers.

We reacted quickly and decisively to accelerate our digital strategy and deliver a package of member benefits, enabling high-quality delivery of our intermediary services without any disruption. Subscription value delivered an Average Revenue per Customer ("ARPC") of £6,729 (FY19: £6,565) – an increase of 2%.

Membership fee income increased by 4% to £10.7m (FY19: £10.3m) due to growth in customers (2%) and ARPC increasing by 2%.

Additional services income decreased by 4% to £5.0m (FY19: £5.2m). The acceleration of our digital delivery in the period strengthened its growth potential whilst increased regulation continues to drive demand for our services.

Software license income grew by 8% to £5.5m (FY19: £5.1m), as member firms continued to adopt market leading practice management software offered through our reseller arrangements.

Revenues in Zest Technology, the Group's employee benefits software solution, grew 8% year on year to £3.9m (FY19: £3.6m).

Intermediary services delivered FY20 adjusted EBITDA of £5.5m (FY19: £5.9m) with adjusted EBITDA margin 21.8% (FY19: 24.4%). Adjusted EBITDA margin reduced year on year through a higher allocation of central costs to the division, which are allocated proportionally to our divisional revenues.

Distribution Channels revenue reduced by 23% to £20.6m (FY19: £26.8m), with the division significantly impacted by COVID-19 restrictions.

Distribution Channels division delivers distribution and marketing services to product providers.

Marketing services revenues of £5.7m (FY19: £7.2m) were significantly impacted by lockdown restrictions, with all physical events suspended from the end of March. However, we acted quickly and decisively to develop innovative new virtual events that attracted excellent attendance and superb client feedback which we will continue going forward.

Mortgage Services revenues of £5.0m (FY19: £6.8m) reduced due to the impact of COVID-19 on surveying and a weaker overall product mix, against a strong lending performance of £16.4bn (FY19: £16.0bn).

Valuation Services revenues of £5.5m (FY19: £8.4m) were severely impacted by COVID-19 lockdown restrictions which saw us unable to provide physical onsite valuations for ten weeks. The majority of our surveyors were placed on furlough during this period. The market has subsequently improved with volumes running at c. 80% of previous levels.

Verbatim revenues of £2.3m (FY19: £2.3m) were broadly consistent with prior year and Insurance Services revenues of £2.2m (FY19: £2.2m) were also broadly consistent with the prior year.

Distribution Channels delivered FY20 adjusted EBITDA of £5.3m (FY19: £6.8m) with adjusted EBITDA margin 25.6% (FY19: 25.2%). Adjusted EBITDA margin increased year on year through a lower allocation of central costs to the division.

The **Fintech & Research division** delivered £15.3m of revenue in the period. FY19 revenues of £11.8m were part year for the from period 22 March 2019 (acquisition date).

Fintech and Research comprises our Defaqto business. Defaqto provides market-leading software, financial information and product research to product providers and financial intermediaries.

Alternative performance measures
Adjusted EBITDA and Adjusted EPS are alternative performance measures for which a reconciliation to a GAAP measure is provided in note 8 on page 61.

*** Free cash flow conversion is calculated as adjusted EBITDA, less working capital movements, lease payments, CAPEX, development expenditure, corporation tax paid and interest, as a percentage of Adjusted EBITDA.

>10,000
financial intermediaries using Fintel services or technology

260
digital events in 2020

>13%
of intermediary firms use our membership services model

2,600
on-site and remote engagements for compliance and business services

21,000
product ratings

>£30bn
of retail financial transactions were supported by Fintel product recommendations in 2020

26k
event attendees in 2020

>2,000
client firms use our advice software

"We have continued to accelerate our digital strategy, grown our core client base, and delivered exciting new services which will further improve our quality of earnings, margins and cash generation in the future."

NEIL STEVENS MATT TIMMINS

Joint Chief Executive Officers' statement continued

Divisional performance continued

Software revenue of £7.4m (FY19: £5.7m) benefited from a full year of ownership and underlying strong growth in new Fintech contracts. Client advice recommendations on the Fintech platform grew strongly to £30.1bn (FY19: £21bn) as adviser engagement accelerates.

Product Ratings revenue of £7.3m (FY19: £5.4m) was delivered from resilient trading from the Defaqto 'Star Ratings' service, a full year of ownership and growth in new research services aimed at investment funds.

Other income of £0.6m (FY19: £0.7m) was delivered from bespoke software and data projects for certain key clients.

Defaqto delivered a strong adjusted EBITDA* margin of 43% (FY19: 43%).

Defaqto also delivered a full R&D roadmap for its future product innovation which along with the combination of its expanding client base and enhanced software functionality will underpin the exciting growth and development for the business.

Market Overview

The UK's Retail Financial Services market is an open, independent and competitive market that delivers choice and value to consumers. It is also complex, with thousands of products to choose from, delivered by hundreds of providers through thousands of intermediaries. At Fintel, our role is to support the market, simplify complexity and deliver better outcomes. We help consumers plan for retirement and protect themselves against a variety of situations, and we help product and fund manufacturers innovate and expand the number of products available. Throughout the pandemic, the UK's retail financial services market has continued to deliver positive outcomes for consumers and we are confident that the future is extremely positive.

Find out more about our markets and how we are serving them on page 16.

Strategic priorities

The Company's strategy combines organic growth and selective acquisitions – whilst maintaining a prudent balance sheet. Organic growth (year on year increase, excluding the impact of acquisitions) is expected to be driven by growth in our core digital services and technology offering as well as increasing average revenue per customer – a key business focus. Our accelerated digital strategy will deliver strong margin growth and greater cash and capital efficiency. The full integration and realisation of the strategic synergies from Defaqto will further improve the quality of our underlying earnings.

Capital discipline and efficiency, along with a prudent balance sheet and leverage management, remains a key strategic priority for us, ensuring we can take advantage of selective and appropriate acquisition opportunities when they arise to further enhance shareholder value.

Read more about our strategy on pages 14 and 15.

Outlook

The current year has started strongly and marginally ahead of the Board's expectations. Our strategic plan is being implemented efficiently and at pace. We therefore remain confident that the company is in a strong position to achieve its full year ambitions, and is moving forward with real agility.

We are Fintel.

NEIL STEVENS MATT TIMMINS
Joint Chief Executive Officers

OUR MISSION

To simplify and improve UK retail financial services by acting in the best interests of the market...

connecting and enabling...

Providers

Intermediaries

Consumers

through...

Technology

People

Insights

...that help inspire better outcomes for all.

OUR LEADING BRANDS

FINTEL
INSPIRING BETTER OUTCOMES

SimplyBiz

The UK's number one provider of outsourced compliance and business support to directly authorised advisers.

defaqto

The UK's leading financial information business, helping financial institutions, advisers and consumers make better informed decisions.

Empowering the market through technology, people and insights

OUR SERVICES	OUR CUSTOMERS	OUTCOMES
• Market Insights and Analysis • Product Research • Product Design • Managed Distribution	Product Providers	Helping Providers build better financial products and distribute them more effectively
• Product Database • Product Comparison • Financial Planning and Advice Technology • Regulatory Support	Intermediaries	Enabling Intermediaries to serve more clients, more effectively
• Product Education • Product Comparison • Product Reviews • Expert Ratings	Consumers	Helping consumers make better informed financial decisions

Testimonials

SimplyBiz play a critical part in our advisory process. They provide the overall structure for our compliance needs, from day to day basics such as a suitability report template, a file check, all the way to a business consulting service where we discuss the best approaches for a centralised advice process within the firm.”

NEIL CHAKRABORTY
CEO **Ngen Financial Planning**

We’ve used a range of SimplyBiz services, but recently we’ve really seen the power of their data and insights into market dynamics and trends. The use of their core campaign capability has shown us what is possible. They take the heavy strain of distribution away from our team and deliver warm, targeted leads for us to act on. A vital part of our distribution strategy going forward.”

MARK BALDWIN
Distribution Director **Vitality**

GoCompare was created to help people compare their insurance in one place – as well as enabling people to compare prices, they could also review cover levels and product ratings at a glance.

GoCompare was the first comparison site to use Defaqto data and ratings to power its comparison pages. We’re really happy with the relationship we’ve built over the years and it’s allowed us to provide customers with even more transparency.”

LEE GRIFFIN
Founder and President **GoCompare**

Creating better outcomes: empowering the market

The Company's business model creates better outcomes for all stakeholders and is customer-led, data-driven and innovative. Its platform is robust and scalable, ready for future expansion and growth.

Product Providers

How we support better outcomes
- Product research
- Product design
- Product compliance
- Targeted distribution

Our difference
- Leveraging our extensive experience and insights, we support product providers to design better products and distribute them more effectively

Value we create
- Unrivalled access to over 10,000 financial intermediaries
- Unique data driven service powered by our extensive data pool and analytics skills

Intermediaries

How we support better outcomes
- Product data & comparison
- Financial planning technology
- Advice platform
- Regulatory & compliance support
- Centralised data & workflow

Our difference
- Providing solutions to help intermediaries serve more clients, more effectively

Value we create
- 66% time saving for financial advisers using the Fintel core technology platform
- 16,195 attendees at 260 virtual events in 2020

Consumers

How we support better outcomes
- Product education
- Product comparison
- Product ratings
- ESG reviews

Our difference
- Making better informed personal finance decisions

Value we create
- Independent research and analysis of more than 43,000 financial products and funds across 130 product areas

Employees

How we support better outcomes
- Investing in our people and their development
- Flexible working to suit modern life
- A culture focused on wellbeing

Our difference
- An accessible and positive workplace built around our people

Value we create
- 98% of our people rated internal communications by the business as 'good' or 'great'

Shareholders

How we support better outcomes
- Providing clear and regular communication
- Regular feedback sought

Our difference
- Capital light and efficient model with no regulatory risk and high barriers to entry coupled with a progressive dividend policy

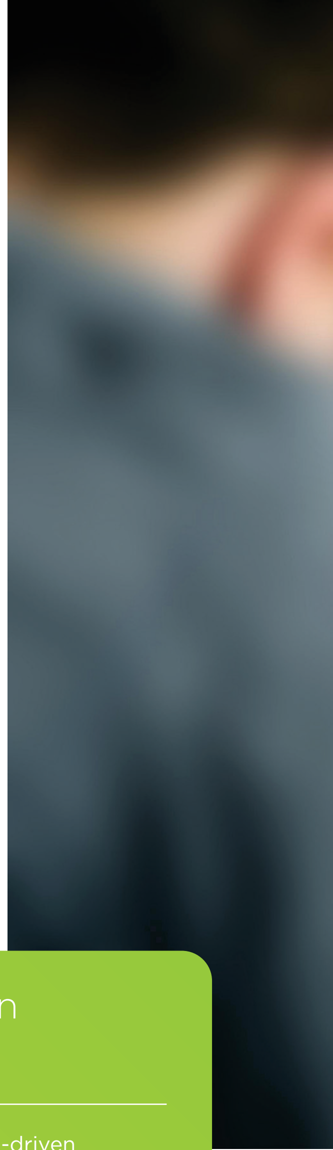
Value we create
- 2.85 pence per share final dividend

Regulators

How we support better outcomes
- Industry champions for our market
- Regular dialogue with regulators
- Responses to consultations and initiatives

Our difference
- Significant expertise in delivering an outcome focused approach to regulation and oversight

Value we create
- Responded to 8 consultation papers
- Regular participants in regulatory and industry focus groups



Positioned for growth

With a quality service platform serving a diverse customer base, we are positioned for growth through product development and service digitisation.

We aim to enable better outcomes for consumers, advisers and product providers through our continued development and growth. We will grow value for our shareholders, develop and reward our teams, and we deliver positive outcomes for the environment, social change and strong governance in retail Financial Services.

Guiding principles

We are a Customer-Led, Data-Driven & Innovative business that invests in developing our people, digital services & data.

We will continue to grow quality earnings and ensure efficient use of our capital and cash efficient.

Customers & markets

We provide essential and highly relevant services to UK retail financial services; Product Providers, Intermediaries & Clients

Key activity in FY20

- Launch of the Horizon service for firms leaving the market through retirement or other exit events
- Provision of a tailor-made support package including a payment holiday service to assist members through the COVID-19 disruption
- Further strengthening our client services team's capacity and capabilities

Our priorities for FY21

- We will meet more of our client needs with a connected platform of services

Product platform

We lead innovation, delivering premium products and partnerships for services, Fintech & Research and Distribution Solutions

Key activity in FY20

- Launch of our distribution as a service model allowing us to provide richer analytics and broader consultative support to our provider partners
- Digitisation of our events programme on a leading platform to ensure continuity of support and access to the adviser community

Our priorities for FY21

- Embedding the roll out of our distribution as a service offering to our provider partners

Digitisation

We invest in data-driven digital services that add value and eliminate effort for our clients

Key activity in FY20

- Deploying Microsoft Office 365 across our estate
- Upgrades to our CRM platform
- Enhancements of both the usability and functionality of our adviser technologies including:
  - pension switching and ESG filtering functionality
  - Digital client meeting functionality

Our priorities for FY21

- Successful deployment of our intermediary and partner portals allowing a one-stop shop to access and engage with our service offering

Brand

We are a house of quality and award winning brands that communicates clear value to all our stakeholders

Key activity in FY20

- Winner Best Support Services for Advisers – Professional Adviser Awards
- Winner Survey/Valuation Business of the Year – MI Awards
- Winner Technology Award – The Rewards

Our priorities for FY21

- Embedding of the new Fintel branding and corporate identity

Organic growth

We focus on growth, on adding more value per customer, on growing partnerships and reaching more of the market

Key activity in FY20

- Continued pursuit of our strategy of focusing on recruiting larger firms and wealth managers, with average fees increasing by 2%
- Increased regulation continues to drive demand for our services
- Membership fee income increased by 4% to £10.7m, compared to 2019

Our priorities for FY21

- Enhance average revenue per customer through delivery of our enhanced digitised service model

Mergers and acquisitions

We accelerate our growth and gain new capabilities by bringing new businesses into the Company, focusing on accretive acquisitions and strategic targets that will grow quality earnings

Key activity in FY20

- Successful full year integration of Defaqto following the acquisition in 2019
- Net debt to adjusted EBITDA ratio reduced to 1.1x (2019: 1.5x) to provide further capacity for growth and balance sheet strength

Our priorities for FY21

- Maintain prudent leverage and funding flexibility and ensure sufficient operational capacity to maximise strategic growth opportunities

A high quality business in a high quality market

The market supports continued customer growth and success, creating opportunities for the Company to provide the services its customers need as they develop and grow.

Product providers

Changes in the IFA advisory market
- Move to remote advice accelerated due to COVID-19
- Selective consolidation of the IFA market
- Hiatus of regulatory implementation in 2020 carries over to 2021
- Ongoing profitability pressures including increased PII costs

Our response
- Launch of Horizon proposition for sellers and buyers of advisory firms
- Provision of virtual advice software to users of our platform

Future opportunities
- Horizon proposition to support exit events in the industry
- Growth of average revenue per customer

Intermediaries

Increasing focus on ESG
- The global focus on climate change general has fuelled an increased ESG focus in retail financial services
- Consumers have more specific requirements on fund selection and IFAs and product manufacturers need to be equipped for and responsive to this

Our response
- Development of Defaqto ESG ratings for funds
- IFA platform functionality delivered to allow them to filter by ESG criteria set by their clients

Future opportunities
- Deployment of ESG services
- Introduction of ESG fund filters in ENGAGE platform
- Deployment of retirement income research

Consumers

Changing face of advice requirements and financial services markets
- Lower return investment markets
- Increasing complexities with retirement income
- Increased sophistication of advice requirements
- Home ownership has continued to slow for most age groups
- Pension freedoms continue to be a key driver of change in the sector

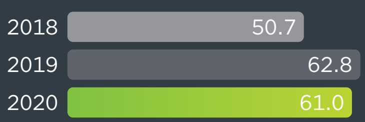
Our response
- Development of retirement income Fintech modules
- Further development of adviser platform to support more efficient fund selection and investment choice

Future opportunities
- Sales of new Fintech modules
- Development of self-service portal to further improve IFA efficiencies and support the complexity of advice required

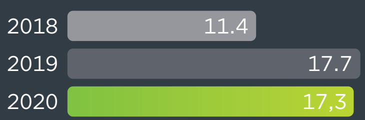
Financial review
Gareth Hague – Group Finance Director

Robust trading and improved margins

REVENUE (£M)
£61.0



ADJUSTED EBITDA* (£M)
£17.3



Revenue

Revenues of £61.0m were 3% lower than the prior year, largely due to COVID-19 restrictions. This reduction was partly balanced by good underlying growth from both the Intermediary Services and Research & Fintech divisions, and a full year contribution from Defaqto.

Revenues in the Intermediary Services division grew by 4% to £25.1m, as a result of growth in membership and improved penetration of additional services and software licences. Fintech & Research revenues increased by £3.5m (30%) as a result of the full period of trading and good underlying growth.

The Distribution Channels division was most impacted by the COVID-19 restrictions, with £4.7m (39%) lower revenues from Valuation and Mortgage Services directly linked to housing transactions, and from a £1.5m (21%) impact from marketing events being moved from physical to digital delivery.

Operating profit and adjusted EBITDA margin

Operating profit reduced by 5% to £11.4m (2019: £12.0m).

Adjusted EBITDA margin is calculated as adjusted EBITDA (as defined in note 8), divided by revenue. Whilst adjusted EBITDA is not a statutory measure, the Board believes it is a highly useful measure of the underlying trade and operations, excluding one-off and non-cash items.

The Company delivered a strong adjusted EBITDA margin of 28.4% (2019: 28.2%) due to improved revenue mix with continued growth on higher margin business lines, rapid and decisive cost efficiencies, and £1.2m received from UK Government's assistance schemes.

Operating costs of an exceptional nature

Exceptional operating costs in the year of £0.8m include £0.6m relating to the restructuring of the cost base because of the impacts on the business from the COVID-19 pandemic, and £0.2m of Executive loss of office costs. In the prior year exceptional operating costs included £1.6m of professional fees in respect of the acquisition of Defaqto and £0.4m of termination costs.

Share-based payments

Share-based payment charges of £0.9m (2019: £0.5m) have been recognised in respect of the options in issue.

Financial income and expense

Net finance expenses of £1.2m (2019: £1.2m) relate to the utilisation of the Group's 5 year revolving credit facility, which is not due for renewal till March 2024.

Taxation

The underlying tax charge of 21% (2019: 21%) for the period includes the beneficial impact of research and development claims submitted for both Defaqto and Zest Technology, offset by disallowable amortisation of other intangible assets of £0.2m (2019: £0.2m). Going forward we expect the tax charge to be c.2% above the UK Corporation Tax Rate.

Financial review continued

Strong free cash flow conversion has significantly de-leveraged the balance sheet."

GARETH HAGUE

Earnings per share

Earnings per share has been calculated based on the weighted average number of shares in issue in both periods. Adjusted earnings per share in the period amounted to 11.3 pence per share (2019: 12.9 pence per share).

Dividend

During the year the Company paid the final dividend in respect of FY19 of £2.8m. The Board is proposing a full year dividend in respect of FY20 of 2.85 pence per share, payable on 7 May 2021, to shareholders on the register on 9 April with an ex-dividend date of 8 April 2021.

Cash flow and closing net debt

At 31 December 2020, the Company had net debt of £19.4m, compared to £27.0m at 31 December 2019. Net debt is calculated as borrowings less cash and cash equivalents and amortised arrangement fees. This represents a net debt to adjusted EBITDA ratio of 1.1 times (31 December 2019: 1.5 times).

Free cash flow conversion was strong at 69% in 2020 (2019: 46%). In the prior year, cash flow conversion was lower due to the phasing of Defaqto's cash receipts across the year. Free cash flow for the period of £11.9m (2019: £8.2m), is after the inclusion of £1.0m of non-recurring CAPEX for the new head office facility.

Free cash flow conversion is calculated as net cash generated from operating activities adjusted for operating costs of an exceptional nature, finance income, finance costs, purchase of property, plant and equipment, proceeds from sale of property, plant and equipment, payment of lease liability and development expenditure. A reconciliation of free cash flow is provided in note 8.

Accounting policies

The Company's consolidated financial information has been prepared consistently in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS").

Going concern

The Directors have undertaken a comprehensive assessment to consider the Company's ability to trade as a going concern for at least the next 12 months. The Directors have considered the Company's financial position and its committed borrowing facilities and performed various sensitivity analyses to assess the impact of more severe but plausible downside scenarios.

On the basis of the Company's current and forecast profitability and cash flows, and the availability of committed funding, the Directors consider and have concluded that the Company will have adequate resources to continue in operational existence for at least the next 12 months. As a result they continue to adopt a going concern basis in the preparation of the financial statements.

In advance of my departure from the Group, I would like to thank all shareholders, employees and other stakeholders and wish everyone the best for the future.

GARETH HAGUE
Group Finance Director

Financial results

	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Group revenue	61.0	62.8
Expenses	(43.7)	(45.1)
Adjusted EBITDA	17.3	17.7
Adjusted EBITDA margin %	28.4%	28.2%
Depreciation	(0.3)	(0.3)
Depreciation of lease asset	(0.8)	(0.7)
Amortisation of development expenditure and software	(1.1)	(0.6)
Adjusted EBIT	15.1	16.1
Operating costs of an exceptional nature	(0.8)	(2.0)
Share option charges	(0.9)	(0.5)
Amortisation of other intangible assets	(2.0)	(1.6)
Net finance costs	(1.2)	(1.2)
Profit before tax	10.2	10.8
Taxation	(2.0)	(2.2)
Profit after tax	8.2	8.6
Adjusted earnings per share** ("EPS")	11.3p	12.9p

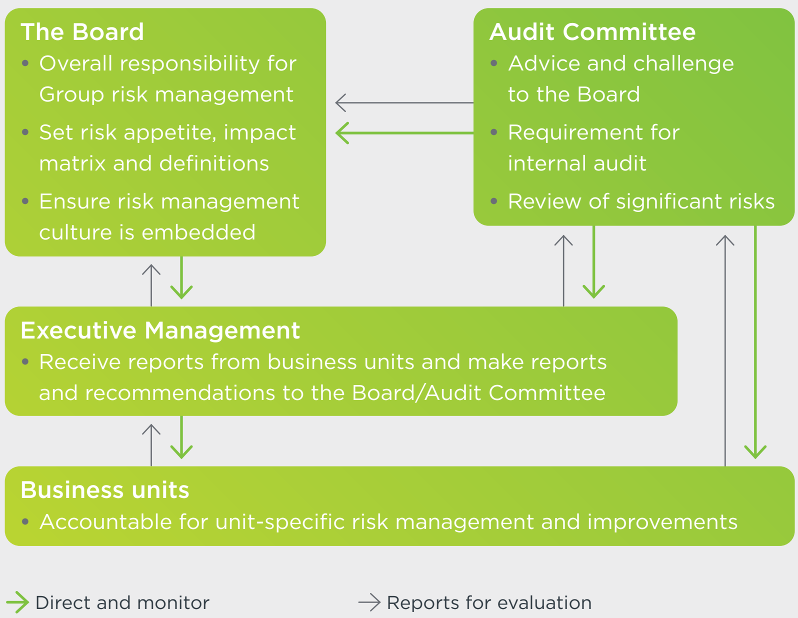
Focused risk management

The Board is responsible for oversight of risks to safeguard that the business is not exposed to either unnecessary risks or insufficient management of those risks.

We understand that some risks are inherent in our business activities and can relate to internal and external strategic threats, operational issues, compliance with laws and our reporting obligations. We recognise that not all risks are created equal, and that it is both practical and appropriate to put in place a system of assessing both the likelihood of a risk event occurring and also the impact a realised risk would have on our operations. Our assessment system provides a grading of risks by multiplying a value based on the impact of the risk by a value based on the likelihood of its occurrence and, dependent on the final value, they are categorised as minor, moderate or major risks. Principal risks are monitored and overseen by our Board and Audit Committee whilst oversight of the remaining lower materiality rests with our Governance Committee and our risk owners. A summary of the current principal risks, mitigating actions and status is shown overleaf.

RISK MANAGEMENT FRAMEWORK

This diagram below illustrates examples of how we manage risk across the organisation, this is unchanged from prior year although further improvements to risk management are planned during 2021 as part of our continual cycle of improvement and as a result of the changes to our leadership team structures delivered in late 2020:



Risk management report continued

RISK DESCRIPTION	MITIGATING ACTIONS	IMPACT POTENTIAL	CHANGE
Evolution of the regulatory environment			
Whilst changes in the regulatory environment can represent a significant opportunity to the Group, they also pose a risk if any activities became regulated or prohibited or if the Group fails to adapt its product offering.	• The Group continually invests in the development of its products in order to ensure that they are relevant to the latest regulatory requirements • Regular reviews of regulatory landscape and commentary are completed and reviewed at Board level • Income revenues are well diversified • Regular reviews of perimeter guidance to understand the potential for any services of the Group to become regulated activity • A cross-company working group includes Defaqto in this ongoing assessment of regulatory threats	Moderate	The Group is aware of an increased regulatory burden on intermediary firms. The Group is always looking to develop its product offerings to protect itself from this risk. The acquisition of Defaqto further diversified our offering. Close monitoring in place on the regulators approach to the FSCS with the Group actively involved in the consultation. FCA plans to increase application fees.
Key personnel			
Loss of any key individual or the inability to attract appropriate personnel could impact on the Group's ability to execute its business strategy which could negatively impact upon the Group's future performance.	• Contractual arrangements and long-term incentive schemes aim to secure the services of the Executive Directors. The Group's Remuneration Committee actively considers our employee packages to support the attraction and retention of staff • The Nomination Committee actively reviews succession plans	Moderate	As part of its ongoing succession planning it is proposed that Gary Hughes will succeed Ken Davy as Chairman at the 2021 AGM. Ken Davy will remain as Deputy Chair. New Long Term Incentive Plan being introduced for Executive Directors. Company-wide incentive scheme re-aligned to strategic objectives.
Loss of key partners			
If the Group's relationship with these partners terminates and the Group is unable to replace those partners, the Group financial condition could be adversely affected.	• Our revenue streams remain well diversified and we have low client concentration with no single client contributing in excess of 1% of Group turnover • We have a strong programme of engagement with our client base	Low	The Company commissioned independent research to understand risks and is strengthening its approach yet further.
Data integrity and cyber security			
There is a risk to the Group if there is unauthorised access to or integrity issues with its data systems.	• The Group conducts regular review of its network security arrangements, maintaining as a minimum Cyber Essentials Plus accreditation • All staff receive regular training on cyber threats and other data loss/integrity risks • Access to data is provided only with those individuals with a genuine business need • Where data is shared external to the Group this is done under contractual arrangements • An independent IT review has been conducted on Defaqto	Moderate	The Group continues to monitor and respond to this threat. The Group's ICT platform has been upgraded to Microsoft Cloud. Through its Coronavirus response the Group now facilitates remote working for all staff – robust security measures remain in place to ensure data integrity.

RISK DESCRIPTION	MITIGATING ACTIONS	IMPACT POTENTIAL	CHANGE
Financial shock outside the Group's control			
Uncertain economic prospects or a sustained period of financial instability could result in stagnation in the financial services industry and therefore in turn on the Group.	• The Group has a high proportion of recurring and SaaS like revenues based on an embedded workflow product set of its clients • The Board regularly reviews the financial markets for trends and deploys and amends its resources based on these assessments	Moderate	The Board's robust response to the Coronavirus pandemic supported a resilient performance; however, economic recovery remains dependant on vaccine progress. The outcomes of the EU withdrawal currently remain unknown and the nature of future trade deals is still not formalised. However, the Board does not foresee any company specific risks resulting from the UK's position outside of the EU.
Reputational risk			
Deterioration in the market perception of the Group, could lead to a loss of business.	• The business culture, processes and controls result in a strong brand that is monitored regularly by the Board	Significant	The Group maintains a broad control framework to ensure brand value. The Defaqto brand has strong consumer recognition and a strong culture and process in place to protect value.
Competition			
A risk to the Group that a competing company attracts its membership through alternative service or pricing models.	• The Board regularly reviews its membership base including attrition • Competitor and wider industry changes are routinely monitored • The Group benefits from high barriers to entry	Moderate	Retention process and programmes significantly strengthened in the year and improved management information allows more granular management.
Long-term social restrictions due to COVID-19			
A risk that the Group's revenue lines would be impacted by further restrictions to movement as a response to the pandemic.	• The Group's move to digitisation and embedded workflow with its clients positions it well to withstand lockdown restrictions however some revenue lines (mortgages, surveying and event income) are more sensitive to this risk (although partly offset by operational efficiencies)	Moderate	New The Board has planned for ongoing levels of disruption to broadly equal those experienced during 2020.

No change   Risk reduced   Risk increased

Creating a more sustainable market

As the business grows, it's increasingly important for us to evaluate and assess how we use our resources and market position to inspire better outcomes for society, as well our direct stakeholders.

As a connecting force within the complex world of retail financial services, we strongly believe in an accessible and transparent market. We play an important role as both an employer in creating access and opportunity, and as an educator in supporting consumers and intermediaries, providing them with information, data and tools to help them make better informed financial decisions.

As the ESG market gathers pace, we are focused on creating transparency and clarity through our newly launched ESG product reviews. Our Defaqto ESG reviews provide consumers and their advisers with up to date and accurate ESG data, insights, and transparency to help inspire better outcomes for society.

We also reaffirm our commitment to ensure our climate policies (including the continued use of digital delivery) and targets are incorporated into business plans. We will also continue to put in place appropriate performance indicators to monitor our impact on the climate."

MATT TIMMINS
Joint CEO

OUR COMMUNITIES

Supporting society to make better informed financial choices

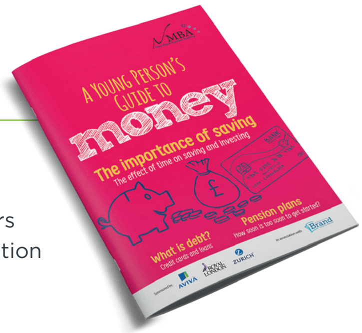
As a business and a team, we are committed to giving back to the market and the communities we operate in. Using our expertise and unique insights we help millions of consumers and their financial advisers to make better financial decisions that align to their personal objectives.

ESG Reviews

Created by Defaqto's expert research team, ESG Reviews help advisers to assess a fund from an independent ESG perspective, enabling them to give consumers the data and insights to make financial decisions that reflect their personal principles.

Defaqto's ESG Reviews consider the ESG (environmental, social and governance) policy of a fund as well as evidence as to whether the fund is following that policy."

PAN ANDREAS
Head of Insight, Defaqto



Young Person's Guide to Money

We're dedicated to supporting the delivery of the Financial Capability Curriculum, and offer our Members resources so they can deliver practical financial education to the next generation.

Supporting local charities

In 2020 our staff chose local causes to support throughout the year, as a way of giving back to our local communities. Despite a national lockdown, our charity committee were still able to organise a series of virtual events to allow staff to get together, have fun and support these amazing charities.

We were honoured to be chosen by the team at SimplyBiz in 2020 – and it will certainly be a year to remember! SimplyBiz stood by us against all the odds and became triumphant as the winners of our first Corporate Charity Challenge! With events cancelled and shops closed and our services more in demand than ever before, virtual fundraising became our lifeline and we can't thank SimplyBiz enough for everything they did to support us!"

LOU ADDISON
Corporate Partnership Fundraiser, Forget Me Not Children's Hospice

OUR PEOPLE

Wellbeing and opportunity

Our people are our driving force, creating growth and fostering innovation. We succeed when they succeed. We're committed to a supportive and inclusive workplace and we invest in our people at all levels of the organisation.

Our policies reflect the positive, inclusive and rewarding environment we are proud to call Fintel.

Increasing access to financial services

Partnering with Huddersfield University School and Huddersfield New Business School, we collaborated on the development of their curriculums and trial qualifications, supporting students via impact days, lectures and placements.

Investing in our people

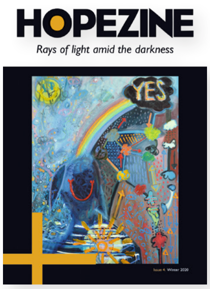
Ensuring that Fintel continues to be a platform for growth for employees at all levels, we introduced an online learning management system to support our apprenticeship, career coaching and external qualifications sponsorship schemes.

"We are building a workplace where people come to work wanting to make things better – for the industry, our clients and their customers. By promoting continuous learning and development, we not only create a positive and rewarding workplace, we also make sure we stay focused on the future for our clients."

EMILY BLAIN
HR Director

Focusing on mental health

In a year like no other, we launched our five-pillar wellbeing strategy and sponsored Hopezine, a mental wellbeing magazine focused on what can be done by turning on, tuning in and copping out.



Streamlined Energy and Carbon Reporting ('SECR')

Carbon emissions (tCO_2e)*	Year ended 31 December 2020 £000
Transport (scope 1)	0
Transport (scope 3)	156
Purchased electricity and gas (scope 2)	34
Total emissions	189
Carbon intensity ratio 1 (tCO_2e/£1m revenue)	3.1
Energy consumption used to calculate emissions (kWh)	772,466

* tCO_2e/year defined as tonnes of CO_2 equivalent per year.

OUR ENVIRONMENT

Digitisation and efficiencies

Reducing our environmental impact by investing in the digitisation and efficiency of our services.

Virtual events

Via our virtual platform, we provide ongoing learning and development for our clients as well as making a direct, positive, impact on our carbon footprint through the reduction of travel."

260
virtual events and webinars organised

23,482
attendees in 2020

RICHARD ARDRON
Group Marketing Director, SimplyBiz

Virtual evaluations

Zero contact surveying, a newly launched initiative, allowed us to provide housing valuations without the need to be physically present on-site. By harnessing the power of technology we all have at our fingertips, this represents a significant step in the evolution of valuations within our industry."

MARTIN REYNOLDS
CEO of SimplyBiz Mortgages

Our environmental focus and policy

The Board is committed to minimising the impact our operations have on the environment. As a professional services firm our direct environmental impact, and that of our suppliers is relatively low. Our focus plan is to continue to utilise digital delivery wherever possible and to reduce travel and print impacts. Recycling of office supplies is undertaken wherever possible. When designing our head office, we ensured environmentally friendly supplies were used where possible including investment in LED lighting. Most of our data is hosted in the cloud and our hosting partners are committed to using renewable energy at their data centres.

SECR statement

Our SECR statement includes all emission sources required under the 2019 regulations for the financial year ended 31 December 2020. This is our first year of reporting and we will be using the FY20 reporting year as our benchmark. When choosing our carbon intensity ratio we explored different options such as number of employees or floor space but felt revenue was most reflective of business performance. The Scope 1 and 2 emissions reported are for Simply Biz Limited being the only entity exceeding the reporting thresholds. We are looking to extend this to cover all facilities across the Company under our operational control.

Focusing on our key stakeholders

In delivering our mission to inspire better outcomes for the market, stakeholder engagement is crucial to the long-term success and sustainability of our business. It is by listening that we understand the challenges and opportunities our stakeholders face, and it is by focusing through their lens that we are able to design the solutions the market needs to evolve.

Our key stakeholder groups include, but are not limited to, shareholders, customers, employees, suppliers, banking partners and regulatory bodies.

Examples of the engagement we have had with stakeholder groups during the year are shown in this report. These examples demonstrate the considerations of the Directors with regard to the matters detailed in sections 172(1)(a) to (f) of the Companies Act 2006 (the "2006 Act") and they form the Directors' statement required under section 414CZA of the 2006 Act.

STAKEHOLDER GROUP	ENGAGEMENT COMMITMENTS	2020 ACTIVITY
Shareholders	The Board prioritises strong relations with shareholders and we endeavour to keep shareholders regularly updated on our plans during the course of each year. We seek feedback from shareholders following formal activities and the results of this are regularly discussed by the Board.	• The restrictions caused by COVID-19 meant we couldn't host shareholders at our AGM 2020; however, we ensured there were multiple channels to use for shareholders to share their views (including proxy votes, emails, investor calls) • Investor Roadshows held following results announcements Actions taken as a result of engagement in 2020: • Virtual Capital Markets Day held on the development of the Group and its strategy and operations. Footage of the event is available at www.wearefintel.com

Clients	We use our market position to drive connectivity in the market and we are customer led in everything that we do.
	
	Throughout the year we engage with our clients to understand the market conditions they operate in and the effectiveness of our service in meeting their needs, the results of which are reviewed and considered by the Board.
		• 99 face to face events 205 virtual events and 55 webinars delivered
		• Total event bookings 26,194
		• Net promoter score 43 – 600 replies received and reviewed
		• 12 focus groups ran to drive product design and delivery
		• Over 1800 outbound calls made to seek service feedback and suggestions
		
		Actions taken as a result of engagement in 2020:
		
		• Adviser feedback was instrumental in the design of our new Horizon service for firms leaving the market through retirement or other exit events
		• Furthers strengthening of our customer services team's capacity and capabilities
		• Enhancements of both the usability and functionality of our adviser technologies including:
		  • Launching pension switching and ESG filtering functionality
		  • Digital client meeting functionality to allow remote advice to be delivered during lockdown restrictions

STAKEHOLDER GROUP	ENGAGEMENT COMMITMENTS	2020 ACTIVITY
Employees	Communication was a key focus this year. Our goal was to maintain visibility of the challenges our people faced throughout 2020, whilst continuing to clearly communicate the business strategy. We undertook regular pulse surveys to gauge and respond to our people's changing needs during lockdown, in addition to introducing more informal lines of communication through regular social activities. We also ran regular Company updates, presenting the Company strategy and covering HR topics, and followed each with a Q&A session and a poll to gather feedback. Summary results of employee feedback is a regular agenda item at the Board.	• Regular Pulse surveys undertaken • Wellbeing advice and organised activities • Remote Christmas Party and other social events held • 20 Company updates ran by senior leadership • 90 Company polls issued Actions taken as a result of engagement in 2020: • Introduction of a working from home allowance to support with additional costs incurred • Introduction of a Flexible Working Promise to encourage our people to work flexibly to balance their work and home lives • A new informal Dress Code, encouraging our people to dress in whatever way allows them to work the most productively
Suppliers	Our supplier partners provide us with goods and services we rely on to deliver for our clients; most notably this includes our long-standing reseller and introducer partnerships as well as all our many operational service providers and professional advisers, to name a few. Reliable supplier relationships are crucial in delivering our business model and strategy. Maintaining positive and open engagement is a key priority.	• Regular review meetings held with key suppliers and advisers • Clear on-boarding and contracting processes to ensure we minimise supply risk and have clear outlines of roles and responsibilities Actions taken as a result of engagement in 2020: • Ongoing discussions to ensure business continuity, quality and supply chain security considerations were maintained during COVID response • Continual challenge and improvement of our procurement and payment practices
Banking partners	We have continued to maintain strong and co-operative relationships with our lenders and banking partners through open and transparent dialogue.	• Quarterly financial and management reporting • Regular meetings to ensure that banking partners remain fully informed on all areas of the business • Regular reviews of banking facility arrangements are conducted by the Board
Regulatory bodies	As enablers of the UK retail financial services industry – our relationships with key regulatory bodies, most namely the Financial Conduct Authority is crucial to helping us better support our clients.	• Regular meetings and other opportunities for engagement are held with the Financial Conduct Authority • We routinely respond to consultation papers and other industry thought leadership on regulation • Regular briefing papers and support provided to our client base on changing regulation

NM STEVENS
Director

ML TIMMINS
Director

Expertise underpinned by experience

KEN DAVY
Non-Executive Chairman

A R N

Appointed to the Board 2002 (founder)

Key strengths and qualifications:
- Substantial financial services and business sector experience with a track record of entrepreneurial and strategic success
- Founder of the Company, with a detailed understanding of all operations and a strong alertness of the needs of all stakeholders in the retail financial services community
- Honorary Doctorate in Business Administration from the University of Huddersfield and an Honorary Fellowship of the Chartered Insurance Institute
- Eminent and respected figure in the financial services profession, winning multiple lifetime contribution awards

Current external commitments:
- Chairman, Huddersfield Giants Limited
- Visiting Professor of Entrepreneurship at the University of Huddersfield

Previous roles:
Ken has more than 50 years' experience in the retail financial services industry both in public and private companies. Ken has also supported and led multiple charitable organisations as well as having long-standing involvement in the sporting industry

NEIL STEVENS
Joint Chief Executive Officer

Appointed to the Board May 2010 (joined 2004)

Key strengths and qualifications:
- Proven experience in commercial, strategy and M&E leadership for growing organisations
- Extensive knowledge of financial services technology and investments
- MBA, LSE Elite Public Company Training
- Active in multiple industry forums

Current external commitments:
- None

Previous roles:
Neil spent seven years in the automotive and aerospace sectors in the UK and Europe

MATT TIMMINS
Joint Chief Executive Officer

Appointed to the Board May 2010 (joined 2002)

Key strengths and qualifications:
- Significant sales and marketing experience
- Highly experienced in mergers and acquisitions
- Strong relationships with key distribution partners
- Postgraduate Diploma in Marketing from the University of Derby

Current external commitments:
- None

Previous experience:
Senior marketing positions at GE Capital, Misys and DBS Financial Management

GARETH HAGUE
Group Finance Director

Appointed to the Board April 2018 (joined 2016)

Key strengths and qualifications:
- An experienced finance director in both private and listed companies
- Skilled at all financial aspects including internal and external financial reporting and cash flow management
- Adept at process improvement and driving efficiencies
- Qualified Chartered Accountant

Current external commitments:
- None

Previous experience:
Head of Financial Reporting at Pace plc, Audit Senior Manager at PricewaterhouseCoopers

KEY TO COMMITTEE MEMBERSHIP

- A Audit Committee member
- R Remuneration Committee member
- N Nomination Committee member
- Committee Chair

GARY HUGHES
Senior Independent Non-Executive & Deputy Chairman

A R N

Appointed to the Board
January 2019

Key strengths and qualifications:
- An experienced operator with a proven plc and private equity track record
- Skilled at operating at board level in both executive and non-executive capacities
- UK and international exposure at board level
- Qualified Chartered Accountant

Current external commitments:
- Owner, Glasgow Rocks professional basketball club

Previous roles:
Various senior industry roles in both the public markets and in private equity in the UK, North America and the Middle East

TIM CLARKE
Independent Non-Executive Director

A R N

Appointed to the Board
December 2016

Key strengths and qualifications:
- Extensive corporate finance experience
- Experience in numerous industries including support services, manufacturing, financial services, software and media
- Qualified Chartered Accountant
- Degree in Economics from Lancaster University

Current external commitments:
- Partner, Park Place Corporate Finance

Previous roles:
Former partner at both KPMG and BDO. Tim established BDO Corporate Finance in Leeds in 2003

IMOGEN JOSS
Independent Non-Executive Director

A R N

Appointed to the Board
January 2021

Key strengths and qualifications:
- Strong commercial background with a particular focus on the Fintech space
- Experienced in global customer management
- Significant index, data analytics and commodities background
- M&A and private equity exposure

Current external commitments:
- Chair Elect, Grant Thornton UK LLP
- NED and Chair of the Remuneration Committee, IPSX UK Ltd
- NED and Chair of Remuneration Committee, Euromoney II plc
- NED and Chair of Remuneration Committee, Interswitch Ltd

Previous roles:
SID and Chair of Remuneration Committee at Gresham Technologies plc

Corporate governance report

Ken Davy – Chairman

The Board is committed to ensuring sound governance arrangements are embedded

CHAIRMAN'S INTRODUCTORY STATEMENT

The Board of Fintel plc is committed to ensuring sound governance arrangements are embedded. The Board has, since its IPO in 2018, adopted the Quoted Companies Alliance Corporate Governance Code, which it believes is the governance framework that is most suitable for the Company, its subsidiaries and subsidiary undertakings, having regard to its strategy as well as its size, nature and resources. It is the Board's responsibility to ensure that the Company is managed in the long-term interests of all shareholders and stakeholders in the business. The Board believes a strong and effective corporate governance culture is critical in this respect, as we endeavour to grow a resilient and sustainable business for the benefit of our shareholders, customers, people, and suppliers. The QCA code is constructed around 10 broad principles and the report below sets out how we comply with the Code. Compliance with the Code will be reviewed and updated annually and published on our website.

Board structure

The Board is comprised of three Executive Directors and four Non-Executive Directors ("NEDs") (including the Chairman). The details of each Director are set out in the Board of Directors section of this report. All the Non-Executive Directors (excluding the Chairman) are considered to be independent. The Board is satisfied that it has a suitable balance between independence and knowledge of the business to allow it to discharge its duties and responsibilities effectively. In January 2021, Imogen Joss, Independent Non-Executive Director, joined the Board to further strengthen the NED profile.

All Board members have clearly defined roles and responsibilities. The roles of Chairman and the Chief Executive Officers are separate and there is a clear division of responsibilities between those roles. We have articulated these roles and responsibilities and have clearly documented matters reserved for the Board as well as having clear and transparent terms of reference for all the Committees of the Board. These can be found on the Company's website.

Role of the Board

The Board is responsible for the long-term performance of the Company. Specific matters are reserved for the Board. These are set out on the Company's website and include Company strategy, corporate and capital structures, approval of key financial matters (including annual and interim results, budgets and dividend policy), material contracts and Board membership and remuneration.

The Chairman, aided by the Company Secretary, is responsible for ensuring that, to inform decision making, Directors receive accurate, sufficient and timely information. The Company Secretary compiles the Board and Committee papers which are circulated to Directors prior to meetings. The Company Secretary also ensures that any feedback or suggestions for improvement on Board papers is fed back to management. The Company Secretary provides minutes of each meeting and every Director is aware of

Board meeting attendance

The attendance of Directors at Board meetings is indicated in the table below:

NAME	Jan	Mar	Mar	April	April	May	May	June	June	June	July	July	Aug	Aug	Aug	Sept	Sept	Sept	Oct	Nov	Dec	Summary
Ken Davy	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	100%
Matt Timmins	●	●	●	●	●	●	●	●	●	●	●	●	●	○	●	●	●	●	●	●	●	95%
Neil Stevens	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	100%
Gareth Hague	●	●	–	●	●	●	●	●	●	●	●	●	●	●	●	–	●	●	●	●	●	100%
Tim Trotter	●	●	●	●	●	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	100%
Tim Clarke	●	●	●	●	●	●	●	●	●	●	●	●	●	○	●	●	●	●	●	●	●	95%
Gary Hughes	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	100%

● Attended ○ Did not attend – Not applicable

the right to have any concerns minuted and to seek independent advice at the Company's expense where appropriate.

Business model and strategy

The Company's business model creates better outcomes for all stakeholders and is customer-led, data-driven and innovative. Its platform is robust and scalable, ready for future expansion and growth. Read more about our business model on pages 12 and 13. The Company has a documented strategic plan which focuses on expanding the business with a view to growth in shareholder value as more fully outlined on pages 14 and 15. The strategy is kept under regular review by the Board. Challenges to the strategy are monitored through our risk framework as further outlined on pages 19 to 21.

Board meetings and attendance

The Board typically meets eight times per annum. Additional meetings are held as necessary and for part of 2020 the Board moved to a bi-weekly cycle to ensure prompt and responsive support during the COVID-19 response. Due to this the Board met 21 times in 2020, although this is expected to return to a more standard cycle in 2021. Attendance is shown in the table above. To enable the Board to discharge its duties, all Directors receive appropriate and timely information prior to these meetings. A formal Board programme is agreed before the start of each financial year. This is structured, as far as possible, to align with the Company's annual financial reporting.

The Board Committees

The Board is supported by the Audit, Nomination and Remuneration Committees, each chaired by one of our Non-Executive Directors. Each Committee has access to the resources, information and advice that it deems necessary, at the cost of the Company, to enable the Committee to discharge its duties.

Audit Committee

NAME	3 meetings		
Ken Davy	●	●	●
Gary Hughes	●	●	●
Tim Trotter	●	–	–
Tim Clarke	●	●	●

The Company has an established Audit Committee chaired by Tim Clarke. The Company's external auditor and the Company Finance Director are invited to attend the Audit Committee meetings. The Audit Committee's primary responsibility is the monitoring of the financial integrity of the financial statements of the Company including compliance with and appropriateness of accounting policies. Overall responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

The Audit Committee meets at appropriate times in the financial reporting and audit cycle. The terms of reference of the Audit Committee cover issues such as membership and the frequency of meetings, together with the quorum and right to attend meetings.

Any non-audit services that are to be provided by the external auditor are reviewed by the Committee in order to ensure auditor objectivity and independence. The external auditor has the opportunity during the Audit Committee meetings to meet privately with Committee members in the absence of executive management.

The Audit Committee is also responsible for reviewing the Company's procedures for the identification, assessment, management and reporting of risks and for determining the need for an internal audit function within the Company.

Remuneration Committee

NAME	6 meetings					
Ken Davy	●	●	●	●	●	●
Gary Hughes	●	●	●	●	●	●
Tim Trotter	●	–	–	–	–	–
Tim Clarke	●	●	●	●	●	●

The Remuneration Committee, chaired by Gary Hughes, is responsible for developing the policy on executive remuneration and setting the remuneration packages of individual Directors. Although members of the executive management are from time to time invited to attend the Remuneration Committee, they are not permitted to be present during the debate or decisions regarding their own remuneration. The Committee met more frequently during 2020 to fully debate and consider the replacement of the executive cash bonus scheme as well as the development of a long-term executive incentive scheme to replace those due to mature in April 2021.

Nomination Committee

NAME	5 meetings				
Ken Davy	●	●	●	●	●
Gary Hughes	●	●	●	●	●
Tim Trotter	●	–	–	–	–
Tim Clarke	●	●	●	●	●

> The Board is committed to promoting a strong ethical and values-driven culture throughout the organisation."
>
> KEN DAVY

Nomination Committee continued

The Nomination Committee holds the primary responsibility of establishing and maintaining a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The Committee also regularly reviews the structure, size and composition of the Board as well as succession planning and the time commitments needed from Non-Executive Directors.

The Committee is chaired by Tim Clarke. The Committee met more frequently during 2020 to fully debate and consider the Chairman succession plans (as previously outlined) as well as to support the selection of a new recruitment search firm and the subsequent appointment of a new Non-Executive Director and a Chief Financial Officer.

Relations with shareholders

The Company engages regularly with its shareholders through formal meetings, informal communications and stock exchange announcements.

Members of the Board (including the Joint Chief Executive Officers and the Group Finance Director) meet formally with institutional shareholders following results announcements, presenting Company results, articulating strategy and updating shareholders on progress.

The Company is committed to ensuring that good relations are nurtured with a range of stakeholders both internally and externally. Feedback as to how we perform as a Company to all our stakeholders is important and we try and continue to improve and develop systems we have in place.

Risk management and internal controls

The Board has ultimate responsibility for the Company's system of internal controls and for reviewing their effectiveness. However, any such system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has in place a number of controls including, but not limited to, risk assessment, monitoring, processes, written policies, clear organisational structures and reporting lines, and regular updates on the performance of these controls are provided to the Board and the Audit Committee.

The Board maintains full oversight of the Company budget and undergoes a rigorous quarterly revaluation process to provide a clear view of the Company's performance throughout the financial year.

The Board considers that the internal controls in place are appropriate and effective for the Company. At this time the Board is satisfied that an internal audit function is not needed at this stage of the Company's development; however, this matter is kept under regular review by the Audit Committee.

Further information on what the Board does to manage risk is set out on pages 19 to 21.

Company culture

The Board is committed to promoting a strong ethical and values-driven culture throughout the organisation. Following the evolution to Fintel we are re-affirming a set of values that explain how we are as a Company and what is important to us – you can read more about these within the Chairman's statement on pages 6 and 7.

Our people are at the core of what we do. Having a people-oriented ethos, where teamwork and commitment are recognised, is central to the success of our strategy. We pride ourselves on nurturing talent, with a number of our colleagues being supported through professional qualifications and work-based training programmes.

We understand that people need to enjoy what they do; we recognise those who demonstrate our values both informally and through recognition schemes. We have set policies and procedures in place to ensure our colleagues know the standards that are expected of them. Where concerns are identified, we have formal processes and ethics policies in place to investigate and address any areas where we consider individuals have not acted in an appropriate manner.

s172 Companies Act 2006

As a Board we have always taken decisions for the long term and collectively and individually our aim is always to uphold the highest standard of conduct. Similarly, we understand that our business can only grow and prosper over the long term if we understand and respect the views and needs of our customers, colleagues and the communities in which we operate, as well as our suppliers, the environment and the shareholders to whom we are accountable. This is reflected in our business principles.

We ensure that the requirements of s172 Companies Act 2006 are met and the interests of our stakeholder groups are considered through a combination of the following:

- standing agenda points and papers presented at each Board meeting;
- a rolling agenda of matters to be considered by the Board throughout the year, which includes a strategy review day, which considers the Company strategy for the following year, supported by the budget for the following year and a medium-term financial plan;
- regular scheduled Board presentations and reports, for example, investor reports on a monthly basis, updates on operational matters, health & safety updates; and
- regular engagement with our stakeholders.

Further information on what the Board does to engage with our stakeholders is set out on pages 24 and 25.

KEN DAVY
Non-Executive Chairman

Audit Committee report

Tim Clarke – Chairman of the Audit Committee

On behalf of the Board, I am pleased to present the Audit Committee report for the period ended 31 December 2020.

The Audit Committee provides formal and transparent arrangements for considering how to apply financial reporting and internal control principles, and to maintain an appropriate relationship with the Company's auditor.

The Committee's role includes monitoring the integrity of the financial statements (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by the external auditor and advising on the appointment of the external auditor.

Members of the Audit Committee

The Committee consists of three Non-Executive Directors: Gary Hughes, Imogen Joss and me as Chairman. All of the Committee members are considered to be independent. Ken Davy is also a member but is not considered independent because of his shareholding in the Company. The Executive Directors may attend Committee meetings by invitation.

The Committee met three times during the year. The Board considers that the members collectively have the balance and skills required to discharge their duties effectively.

Duties

The main duties of the Audit Committee are set out in its terms of reference. The main items of business considered by the Audit Committee during the year included:

- review and approval of the FY19 financial statements, including the receipt of the audit findings;
- review and approval of the Committee's terms of reference;
- assessment of the Committee's composition and members;
- review and approval of the 2020 interim statement, and consideration of an interim dividend;
- review of suitability of the external auditor;
- consideration of the external audit report and management representation letter;
- review of going concern;
- review of the risk register, risk management and internal control systems;
- meeting with the external auditor without management present; and
- review of ethical conduct of business policies.

Role of the external auditor

The Audit Committee monitors the relationship with the external auditor, KPMG LLP, to ensure that auditor independence and objectivity are maintained. As part of its review the Committee monitors the provision of non-audit services by the external auditor. The breakdown of fees between audit and non-audit services is provided in note 7 of the Company's financial statements. Clearance is given for all non-audit works by the Audit Committee Chair in line with our procedures. No non-audit work was carried out during the period. Whilst KPMG will be proposed for re-appointment as auditors by shareholders at the annual general meeting on 28 April 2021, the group intends to hold a tender for audit services prior to the end of the financial year to 31 December 2021. KPMG has indicated that, following a commercial decision, it will not participate in this process and will therefore tender it's resignation at the time the new auditor has been selected. KPMG confirms there are no circumstances in connection with its planned resignation that should be brought to the attention of the members or creditors of the Company.

Audit process

The auditor prepares an audit plan for the audit of the full year annual report and accounts. The audit plan sets out the scope of the audit, areas to be targeted and audit timetable. This plan is reviewed and agreed in advance by the Audit Committee. Following the audit, the auditor presented its findings to the Audit Committee for discussion.

Internal audit

At present the Company does not have an internal audit function and the Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without one.

Risk management and internal controls

As described on page 30 of the Corporate governance report, the Company has established a framework of risk management and internal control systems, policies and procedures. The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. During the year, the Committee reviewed the framework and the Committee is satisfied that the internal control systems in place are currently operating effectively.

Brexit

The Audit Committee, and the wider Board, are pleased to note that our prior assessment that Brexit would have limited impact on our operations has to date held true. Nonetheless, we will continue to monitor the impact of the UK's withdrawal from the UK on future regulation of the financial services industry.

Anti-bribery

The Company has in place an anti-bribery and anti-corruption policy that sets out its zero-tolerance position and provides information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues. The Committee is comfortable that the current policy is operating effectively.

TIM CLARKE

Chairman of the Audit Committee

Nomination Committee report

Tim Clarke – Chairman of the Nomination Committee

I am pleased to present the Nomination Committee report for FY20.

The Nomination Committee has delegated authority from the Board set out in its written terms of reference, available on the Company's website, which are reviewed annually and were last updated by the Board in March 2020.

The Nomination Committee's primary objectives are to:

- ensure that a regular, thorough and unbiased evaluation is undertaken of the structure, size, composition, balance of skills, knowledge and experience of the Board;
- recommend any proposed changes to the composition of the Board and to initiate and oversee the recruitment process;
- ensure the Company's adherence to applicable legal and regulatory requirements in relation to the above; and
- review the Company's compliance with applicable corporate governance regulations.

The Committee Chairman reports material findings and recommendations at the next Board meeting and copies of the minutes of its meetings are circulated, where appropriate, to all Directors.

Membership of the Nomination Committee

The Committee consists of three Non-Executive Directors: Gary Hughes, Imogen Joss and me as Chairman. All of the Committee members are considered to be independent. Ken Davy is also a member but is not considered independent because of his shareholding in the Company. The Executive Directors may attend Committee meetings by invitation.

No individual participates in discussion or decision making when the matter under consideration relates to themselves. The Committee is supported by the services of the Company Secretary, who acts as secretary to the Committee, and it has full access to the Executive Directors. It is empowered to appoint search consultants, legal, tax and other professional advisers as it sees fit to assist with its work.

Key activities of the Nomination Committee during the year

The Committee met five times during the year and attendance at those meetings is shown on page 29 of the Corporate governance report.

Matters considered by the Committee in FY20 included the following material items:

- assessed the composition of the Board, including in relation to Committee chairship and membership;
- reviewed the time commitment from the Non-Executives and determined this was satisfactory;
- conducted a qualitative and quantitative Board evaluation in December 2020;
- led the search for a new Non-Executive, including the selection of a recruitment consultant which led to the successful appointment of Imogen Joss in January 2021;
- considered and approved Gary Hughes' appointment as Deputy Chairman as part of the Chairman succession plan. As previously outlined it is intended that Gary will succeed Ken as Chairman following the AGM 2021, at which time Ken will assume the role of Deputy Chairman;
- led the search for a Chief Financial Officer, including the selection of a recruitment consultant which led to the successful appointment of David Thompson, who will join the Board in April 2021;
- agreed the Board effectiveness review strategies;
- considered and approved the Committee report to the accounts; and
- considered and approved the Committee's terms of reference.

Policy on appointments to the Board

Diversity has frequently been debated by the Committee and the Board. The Board believes that diversity is not limited to gender and that a diverse Board will include and make good use of differences in the skills, geographic location, industry experience, background, race, gender and other characteristics of the Directors. The Board's view has been and continues to be that all appointments to the Board should be merit based, assessed against objective selection criteria. To avoid impeding any deserving candidate from consideration, executive search consultants are asked to provide candidates from a diverse range of backgrounds and that these lists are gender neutral. The Board upholds its practice of embracing diversity in the widest sense and has therefore elected not to set any quantitative gender-based targets.

The process of identifying candidates for Board appointment commences with a review of the current Board composition taking into account various factors such as qualifications, skills, experience, independence and diversity of the existing Directors in order to identify any weaknesses.

A person specification is then prepared which includes, in the case of Non-Executive Director appointments, an estimate of the time commitment required. Generally, the Committee will engage executive search consultants, or consider open advertising, to assist in ensuring a comprehensive list of potential candidates from a range of backgrounds for the Committee's consideration.

Appointments to the Board during FY20

No appointments to the Board have been made during the reporting period. Imogen Joss was appointed to the Board on 5 January 2021 and David Thompson will be appointed as Chief Financial Officer in April 2021.

Resignations from the Board during FY20

As previously reported Tim Trotter stepped down from the Board at the AGM 2020. Gareth Hague will step down from the Board on 31 March 2021 and will therefore not be seeking re-election at the AGM 2021.

Talent assessment and succession planning

The Committee continues to develop succession plans in respect of the Board to ensure that there is an ongoing review of the skills and experience on the Board. This process led to the selection and appointment of both Imogen Joss and David Thompson as well as the approval of the succession plans for the Chairman previously noted.

The Committee also provides guidance and monitors succession plans, talent assessment and development plans at senior and mid-management level.

A comprehensive programme to develop individual development plans for key individuals was further advanced during the year with the creation of our Executive Leadership Team. Biographies of the members of the Executive Leadership Team are available on our website. Recognising, developing and retaining talent within the Company is essential for the continued sustainability of the business and a number of key promotions and hires were made during the year to further strengthen our team profile.

Committee evaluation

The Committee's performance is internally evaluated by the members of the Committee by way of a self-evaluation questionnaire and results are considered by the Committee and the Board. No significant issues that require improvement have been identified and the Committee and the Board remain satisfied that it operated effectively during the year.

Evaluation of the composition, structure and functioning of the Board

The evaluation of the Board is also carried out internally by way of a self-evaluation questionnaire. The questionnaire includes a focus on Board composition and expertise, the Board's role in setting strategy, its understanding of risks facing the Company, succession planning and the effectiveness of the Board Committees. The Board regards the evaluation process as an important way to monitor the progress made over the years. No significant issues that require improvement are highlighted however, objectives have been agreed for FY21 as part of our commitment to continuous improvement.

Independence and re-election to the Board

As outlined above, the composition of the Board is reviewed annually by the Committee to ensure that there is an effective balance of skills, experience and knowledge and that the Board comprises an appropriate proportion of independent Directors.

In accordance with best practice, all Directors are offering themselves for re-election by shareholders at the AGM. Biographical information on each of the Directors can be found on pages 26 and 27.

TIM CLARKE
Chairman of the Nomination Committee

Remuneration report

Gary Hughes – Deputy Chairman and Senior Independent Non-Executive Director

I am pleased to present this Remuneration report, which sets out the remuneration policy and the remuneration paid to the Directors for the period.

As an AIM-listed company, Fintel plc is not required under section 420(1) of the Companies Act 2006 to prepare a Directors' remuneration report for each financial year of the Company. Fintel plc makes the following disclosures voluntarily. The content of this report is unaudited unless stated.

Members of the Remuneration Committee

The Remuneration Committee comprises Imogen Joss, Tim Clarke and me as Chairman. Under the terms of reference for the Remuneration Committee, Ken Davy (Chairman) attends meetings but is not permitted to chair them. Imogen joined the Board after the year-end and will become Chairman of the Remuneration Committee when I step up as Chairman of Fintel plc in April.

The Remuneration Committee is responsible for determining the remuneration and other terms of employment for the Executive Directors of Fintel plc, and overseeing the broader remuneration structure of the Company to ensure it is consistent and is in line with our overall strategic objectives.

Remuneration policy

The remuneration of Executive Directors is determined by the Committee and the remuneration of the Chairman and the Non-Executive Directors is reviewed and approved by the full Board of Directors. The key objectives of the Committee in determining the overall remuneration of Executive Directors are:

- the recruitment, retention and incentivisation of executive management of high calibre; and
- the alignment of executive management reward with the Company's strategy and shareholder interests.

The remuneration packages of Executive Directors comprise the following elements: basic salary, standard executive benefits, annual bonus, standard pension contributions and longer-term share-based incentives. Basic salaries for Executive Directors are reviewed annually having regard to individual performance and market practice. In most cases benefits provided to Executive Directors comprise health insurance and car allowances. Details of emoluments for the Directors of Fintel plc are set out on page 35.

During the period under review the Remuneration Committee also considered and approved a proposed financial settlement for Gareth Hague, Finance Director, for loss of office. Details of this can be found in note 7.

Directors' service contracts

Under the terms of the service agreements in place with the Executive Directors, 12 months' written notice must be given by either party to terminate that appointment. Under the terms of the service agreements in place with the Non-Executive Directors, six months' written notice must be given by either party to terminate that appointment.

Directors' emoluments (audited)

Emoluments of the Directors for the year ended 31 December 2020 are shown in the table opposite. Related party transactions involving Directors are disclosed in note 33.

Executive annual bonuses

During the year the executive bonus plan was reviewed and replaced to better align to AIM benchmarks and to support the Remuneration Committees' objective to directly align incentives with the successful execution and delivery of the Company's annual plan, whilst delivering good customer and colleague engagement. It is also designed to attract and retain key executives as we further build the management capability of the Company. Executive Directors are eligible for a maximum cash bonus of 100% of base salary which becomes payable if certain financial and non-financial targets are met. The Remuneration Committee also retains its right to provide special discretionary bonuses where deemed appropriate – though the incidence of these are limited and tightly controlled.

Bonuses quoted in the table on page 35 refer to performance awards based on the financial year ended 31 December 2020 which were paid in February 2021. For the financial year ended 31 December 2020 74% of the maximum bonus award was achieved. The Remuneration Committee believes that this is a reasonable award based on the strategic and financial performance of the Company.

Directors' interests

Details of the Directors' shareholdings are included in the Directors' report on pages 36 and 37.

Share price

The market price of the Company's shares on 31 December 2020 was 180p per share. The highest and lowest market prices during the year were 247p and 128p respectively.

Share options and incentive schemes (audited)

During the year a number of share option and incentive schemes were created or expanded, each designed to promote the long-term performance of the Company and importantly, a sustained increase in shareholder value. Details of options for Directors who served during the year are as follows:

			GRANT DATE	TERM	OPTION PRICE
Matt Timmins	SAYE	10,588 shares under option	17 October 2018	3 years	£1.70
Gareth Hague	SAYE	5,294 shares under option	17 October 2018	3 years	£1.70
	SAYE	3,417 shares under option	23 October 2019	3 years	£1.58
	CSOP	17,647 shares under option	4 April 2018	3 years	£1.70
	CSOP (NTA)	90,791 shares under option	27 September 2019	19 months	£0.01
	CSOP (NTA)	85,106 shares under option	11 March 2020	13 months	£0.01

Disclosed below are Directors who served during the year who also hold Ordinary Shares in the capital of Simply Biz Limited by way of subscription as part of the Company's historic Management Incentive Plan ("MIP").

NAME	NUMBER AND CLASS OF SHARE IN SIMPLYBIZ LIMITED SUBSCRIBED TO
Matt Timmins	750 A1 shares
Neil Stevens	750 A1 shares

Sarah Turvey, our former Chief Operating Officer, left Simply Biz in April 2019 as a good leaver under the provisions of the MIP scheme. Subject to the MIP scheme rules and to the articles, the number of days that will be deemed to have elapsed from the date of acquisition of the A Shares by the Employee to the Date of Cessation as described in article 22.1.2.1. (A) will be treated as 547 days for the purposes of calculating the number of Vested A Shares of the Employee.

MIP

On 4 April 2018, the Company established MIP which invited eligible employees to subscribe for A shares in the Company's subsidiary SimplyBiz Limited. Participants have a put option to sell the A shares to the Company in exchange for Ordinary Shares of the Company at any point between three years and ten years after the date of grant, provided that they are still employed (or treated as a good leaver) and an equity hurdle is met. If the equity hurdle is achieved, the A shares are convertible into shares of the Company, based on 15% of the value created above 105% of the market capitalisation at IPO, subject to a 7.35% dilution cap on the issued share capital at the point of vesting.

Further details can be found in note 28 to the financial statements. The Company is currently engaging with shareholders in relation to the design and implementation of a new MIP ("Value Builder") which would coincide with the end of the initial period of the existing MIP. This aims to strengthen the alignment of interests between the management of the Company and the interests of our shareholders with the proposed awards directly created to the growth in value of the business. The target date for implementation on this scheme is 1 May 2021.

Pension contributions (audited)

During the year, the Company made annual pension contributions for Executive Directors to personal pension schemes as outlined in the table below.

Non-Executive Directors

The fees of the Non-Executive Directors are determined by the full Board. The Non-Executive Directors are not eligible for bonuses, pension benefits or share options. Imogen Joss did not receive any Non-Executive Director fees in the period under review, having joined the Board on 5 January 2021.

Directors' emoluments table (audited)

ROLE	NAME	Salary received £000*	Contractual salary £000	Benefits £000	Bonuses £000	Loss of office £000	Employer's pension 2020 £000	Total emoluments 2020 £000	Total emoluments 2019 £000
Non-Executive Chairman	Ken Davy	124	130	0	0	0	0	124	130
Executive	Neil Stevens	239	300	7	224	0	2	472	297
	Matt Timmins	239	300	7	224	0	2	472	297
	Gareth Hague	150	180	0	0	201	4	355	189
Non-Executive	Tim Trotter**	22	—	0	0	0	0	22	65
	Tim Clarke	62	65	0	0	0	0	62	65
	Gary Hughes	74	85	0	0	0	0	74	58

* Actual payment values following reductions in salaries taken by Directors in response to the COVID-19 pandemic.

** Tim Trotter stepped down from the Board at the AGM 2020.

GARY HUGHES

Deputy Chair & Senior Independent Non-Executive Director

Directors' report

The Directors present their Directors' report for Fintel plc for the year ended 31 December 2020.

Fintel plc (the "Company") is incorporated in England and Wales. The financial statements consolidate the results and financial position of the Company and its subsidiary undertakings (the "Group").

On 9 March 2021 the Company changed its name from The SimplyBiz Group plc to Fintel plc.

Principal activity

The principal activity of the Company during the year was the provision of intermediary services and distribution channels to the retail financial services sector.

Review of business and future developments

The Chairman's statement (pages 6 and 7), the Joint Chief Executive Officers' statement (pages 8 to 10) and the Financial review (pages 17 and 18) report on the performance of the Company during the year ended 31 December 2020 and its future developments.

Directors

The Directors who held office during the year and up to the date of signing this report were as follows:

KE Davy
ML Timmins
NM Stevens
GR Hague
THS Trotter (resigned 27 April 2020)
TP Clarke
G Hughes
I Joss (appointed 5 January 2021)

Directors' shareholdings (audited)

The beneficial interests of the Directors in the share capital of the Company at 31 December 2020 and 10 March 2021 were as follows:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
KE Davy*	30,533,895	31.54%
ML Timmins	1,730,000	1.79%
NM Stevens	1,689,864	1.75%
GR Hague	5,144	0.01%
I Joss	—	—
THS Trotter	—	—
TP Clarke	17,202	0.02%
G Hughes	59,070	0.06%

* Includes all shares held in Trusts managed by Ken Davy & Estates where Ken Davy is the sole executor and beneficiary.

Significant shareholders

The Company is informed that, at 10 March 2021, individual registered shareholdings of more than 3% of the Company's issued share capital were as follows:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
KE Davy	30,533,895	31.54%
Liontrust Asset Management	10,762,993	11.12%
FIL Investments International	6,821,599	7.05%
Gresham House Asset Management	5,960,909	6.16%
Slater Investments	5,936,661	6.13%
Lombard Odier Asset Management	4,748,651	4.91%
Schroder Investment Management	4,221,964	4.36%
Franklin Templeton Investments	3,947,072	4.08%

Employees

It is the policy of the Company that all employees shall be given equal opportunities in all areas of employment.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Company places considerable value on the involvement of its employees and has continued to keep them involved in matters affecting them as employees and on various factors affecting the performance of the Company. This is achieved through processes of communication and participation. This involves the provision of information through normal management channels including regular face-to-face briefings from the members of the Board. Employees are consulted on a wide range of matters affecting their current and future interests.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Policy and practice on payment of creditors

It is the policy of the Company to agree terms and conditions for our business transactions with suppliers. The Company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in line with the agreed terms and conditions. Where specific credit terms are not agreed with a supplier, the Company's policy is to pay to the supplier's normal terms.

Energy consumption and efficiency

The Company is committed to reducing our environmental impact by investing in the digitisation and efficiency of our services. More information can be found on page 23.

Annual general meeting

The annual general meeting of the Company is to be held on 28 April 2021. The notice of the meeting has been provided to shareholders at the back of this report.

Health and safety

The health and welfare of our employees is paramount. We carry out regular health and safety training and assessments for our staff, who are predominantly desk based in nature. The Directors receive a monthly health and safety report which includes all areas of risk and RIDDOR within the Company.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic report.

Auditor

Whilst KPMG will be proposed for re-appointment as auditors by shareholders at the annual general meeting on 28 April 2021, the group intends to hold a tender for audit services prior to the end of the financial year to 31 December 2021. KPMG has indicated that, following a commercial decision, it will not participate in this process and will therefore tender it's resignation at the time the new auditor has been selected. KPMG confirms there are no circumstances in connection with its planned resignation that should be brought to the attention of the members or creditors of the Company.

By order of the Board

NM STEVENS
Director
22 March 2021

ML TIMMINS
Director
22 March 2021

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and they have elected to prepare the parent Company financial statements on the same basis.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report

to the members of Fintel plc (formerly The SimplyBiz Group plc)

1. Our opinion is unmodified

We have audited the financial statements of Fintel plc (formerly The SimplyBiz Group plc) ("the Company") for the year ended 31 December 2020 which comprise the consolidated statement of profit or loss and other comprehensive income, consolidated and Company statement of financial position, consolidated and Company statement of changes in equity, consolidated statement of cash flows, and the related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality: group financial statements as a whole	£500k (2019: £565k) 4.5% (2019: 4.4%) of normalised profit before tax	
Coverage	88% (2019: 93%) of the total profits and losses that made up group profit before tax	
Key audit matters		**vs 2019**
Recurring risks	Revenue recognition	◀▶
	Recoverability of goodwill and of the parent Company's investment in subsidiaries	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

	The risk	Our response
Revenue recognition (£61.0m; 2019: £62.8m) Refer to note 2.7 on page 53 (accounting policy) and note 5 on page 59 (financial disclosures).	**2020/2021 revenue:** Results for any given financial reporting period are expected to be affected by the revenue recognition policies in place for each of the revenue streams and the accrual and deferral of certain balances. For certain revenue streams, there is a risk that the amounts recorded in revenue in the year could be subject to manipulation in order to achieve a desired result for the financial year. Additionally there are a number of revenue streams each of which have different performance obligations, and to ensure correct revenue recognition, require manual intervention to accrue or defer revenue at the year end. The resulting complexities create a cut off risk, due to error, that the recognition of revenue does not match the period over which the performance obligations are met. Revenue is the most material figure in the consolidated statement of profit or loss and other comprehensive income and is considered to be the main driver of results, therefore we consider this to be an area that had the greatest effect on the audit.	We performed the detailed tests below rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls. Our procedures included: • **Test of detail:** For those revenue streams where a risk of fraud or error was identified, we tested whether a sample of sales transactions one month either side of the balance sheet date were recognised in the correct period by vouching to evidence of the date the services were performed. • **Test of detail:** We corroborated revenue journal postings to supporting evidence where the other side of the journal was posted to an unexpected account. • **Test of detail:** We inspected a sample of credit notes raised post year-end to determine whether they related to revenue recognition in the year. • **Assessing transparency:** We considered the adequacy of the Group's disclosures in respect of revenue disaggregation by product/service line and timing of revenue recognition.
Recoverability of goodwill and of the parent Company's investment in subsidiaries (Group Goodwill £76.0 million; 2019: £76.0m) (Parent Company investment in subsidiaries £121.5m; 2019: £120.6m) Refer to notes 2.12 and 2.13 pages 54 and 55 (accounting policy) and notes 18 and 19 on pages 66 to 69 (financial disclosures).	**Forecast-based valuation:** Goodwill in the Group and the carrying amount of the parent Company's investment in subsidiaries are significant. The estimated recoverable amounts of these balances are subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The effect of these matters is that, as part of our risk assessment for audit planning purposes, we determined that the value in use of the Research and Fintech CGU had a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 18) disclose the sensitivity estimated by the Group.	We performed the tests below rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Our sector experience:** We critically assessed the reasonableness of the key assumptions used, in particular those relating to forecast EBITDA growth, long term growth rates and the discount rate in comparison to external and internal evidence. • **Sensitivity Analysis:** We performed breakeven analysis on the assumptions noted above. • **Assessing transparency:** We assessed whether the Group's and parent Company's disclosures in relation to impairment assessment reflected the risks inherent in the recoverable amounts of Group goodwill and the parent Company's cost of investment in subsidiaries.

In the prior year we reported a key audit matter in respect of the impact of uncertainties due to the UK exiting the European Union. Following the trade agreement between the UK and the EU, and the end of the EU-exit implementation period, the nature of these uncertainties has changed. We continue to perform procedures over material assumptions in forward looking assessments such as going concern and impairment tests however we no longer consider the effect of the UK's departure from the EU to be a separate key audit matter.

We also identified a key audit matter in relation to the identification and valuation of the intangible assets relating to the Defaqto acquisition in the prior year. No acquisitions took place in the current year and as such we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the group financial statements as a whole was set at £500k (2019: £565k), determined with reference to a benchmark of group profit before tax, normalised to exclude this year's exceptional items as disclosed in note 7 of £11.0m (2019: £12.9m) (of which it represents 4.5% (2019: 4.4%)).

Materiality for the parent company financial statements as a whole was set at £490k (2019: £468k), determined with reference to a benchmark of Company total assets amounting to £160.4m, of which it represents 0.3% (2019: £158.7m and 0.3%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality for the group was set at 65% (2019: 65%) of materiality for the financial statements as a whole, which equates to £325k (2019: £367k). We applied this percentage in our determination of performance materiality based on the level of identified misstatements and control deficiencies during the prior period.

Performance materiality for the parent company was set at 75% (2019: 75%) of materiality for the financial statements as a whole, which equates to £368k (2019: £351k). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £25k (2019: £28k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 19 (2019: 28) reporting components, we subjected 9 (2019: 12) to full scope audits for group purposes. For the residual 10 components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

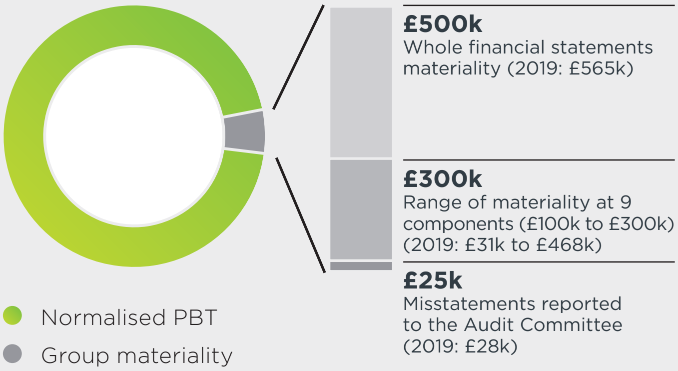
The components within the scope of our work accounted for the percentages illustrated opposite.

The work performed on all of the components, including the audit of the parent company, was performed by the group team using component materialities that ranged from £100k to £300k (2019: £31k to £468k), having regard to the mix of size and risk profile of the Group across the components.

The group team performed procedures on the items excluded from normalised group profit before tax of £774k (2019: £2.0m).

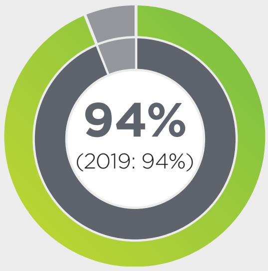
Normalised group profit before tax
£11.0m (2019: £12.9m)

Group materiality
£500k (2019: £565k)

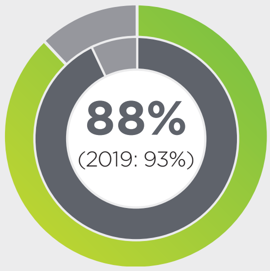


- Normalised PBT
- Group materiality

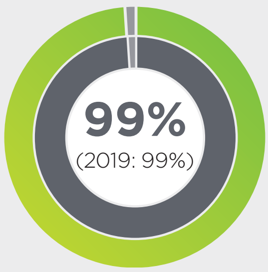
Group revenue



Total profits and losses that made up group profit before tax



Group total assets



- Full scope for Group audit purposes 2020
- Full scope for Group audit purposes 2019
- Residual components

4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were;

- Economic uncertainty caused by the ongoing COVID-19 pandemic resulting in a potential decrease to the revenues and profits of the Group which could impact the Group's ability to comply with debt covenants; and
- The continued availability of external debt financing.

We considered whether these risks could plausibly affect the liquidity and covenant compliance in the going concern period by assessing the Directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

We performed procedures which also:

- Critically assessed assumptions in the Directors' base case and downside scenarios relevant to liquidity and covenant metrics taking into account all reasonably possible downsides, in particular by comparing the forecasted operating levels to both pre-COVID and COVID levels of performance;
- Assessed whether downside scenarios applied mutually consistent and severe assumptions in aggregate, using our assessment of the possible range of each key assumption and our knowledge of inter-dependencies;
- Compared past budgets to actual results to assess the directors' track record of budgeting accurately;
- Inspected the confirmation from the lender of the level of committed financing, and the associated covenant requirements;
- Inspected the finance agreement to assess the restrictions on the use of funds and compared these restrictions to management's model;
- Considered whether the going concern disclosure in note 2.6 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and dependencies.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 2.6 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud.

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included.

- Enquiring of directors and management as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes;
- Considering remuneration incentive schemes and performance targets for management; and
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that certain revenue streams are subject to manipulation and recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries.

Further detail in respect of risk of fraudulent revenue recognition and our audit procedures to address the risk is set out in the key audit matter disclosures in section 2 of this report.

We did not identify any additional fraud risks.

5. Fraud and breaches of laws and regulations – ability to detect continued

Identifying and responding to risks of material misstatement due to fraud continued

We performed procedures including:

- Identifying journal entries and other adjustments to test (for all full scope components subject to audit as disclosed in section 3 of this report) based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual/unrelated accounts.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and from inspection of the Group's Board meeting minutes and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the Group includes regulated entities, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of licence to operate for the regulated entities. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment and social security legislation; and data protection laws recognising the overall operating activities of the Group and financial and regulated nature of the regulated entities' activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report continued

to the members of Fintel plc (formerly The SimplyBiz Group plc)

7. We have nothing to report on the other matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 38, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9. The purpose of our audit work and to whom we owe our responsibilities

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.

PAUL NICHOLS (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF KPMG LLP,
STATUTORY AUDITOR

Chartered Accountants
15 Canada Square, London
E14 5GL
22 March 2021

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Revenue	5–6	**61,005**	62,774
Operating expenses	7–10	**(47,632)**	(49,193)
Amortisation of other intangible assets	18	**(1,988)**	(1,579)
Group operating profit		**11,385**	12,002
Finance income	11	**57**	123
Finance costs	12	**(1,251)**	(1,281)
Profit before taxation		**10,191**	10,844
Taxation	14	**(2,027)**	(2,218)
Profit for the financial year		**8,164**	8,626
Profit attributable to shareholders:			
Owners of the Company		**8,075**	8,547
Non-controlling interests		**89**	79
		8,164	8,626
Earnings per share – basic	13	**8.3p**	9.3p
Earnings per share – diluted	13	**8.3p**	9.0p

There are no items to be included in other comprehensive income in the current year or preceding year.

The accompanying notes form part of the financial statements.

Consolidated statement of financial position

as at 31 December 2020

		31 December 2020		31 December 2019	
	Note	£000	£000	£000	£000
Non-current assets					
Property, plant and equipment	17	1,454		454	
Lease assets	17	5,031		2,653	
Intangible assets and goodwill	18	105,389		106,210	
Deferred tax asset, non-current	26	—		1,262	
Total non-current assets			111,874		110,579
Current assets					
Trade and other receivables	21	10,173		11,774	
Deferred tax asset	26	265		194	
Cash and cash equivalents	22	10,284		10,666	
Total current assets			20,722		22,634
Total assets			132,596		133,213
Equity and liabilities					
Equity					
Share capital	27	968		968	
Share premium account	27	64,791		64,755	
Other reserves	29	(52,192)		(51,993)	
Retained earnings		61,012		55,695	
Equity attributable to the owners of the Company			74,579		69,425
Non-controlling interest			168		79
Total equity			74,747		69,504
Liabilities					
Current liabilities					
Trade and other payables	23	17,455		17,195	
Lease liabilities	25	561		540	
Current tax liabilities		185		651	
Total current liabilities			18,201		18,386
Non-current liabilities					
Loans and borrowings	24	29,719		37,685	
Lease liabilities	25	4,509		2,176	
Deferred tax liabilities	26	5,420		5,462	
Total non-current liabilities			39,648		45,323
Total liabilities			57,849		63,709
Total equity and liabilities			132,596		133,213

These financial statements were approved by the Board of Directors on 22 March 2021 and were signed on its behalf by:

NM STEVENS
Director

ML TIMMINS
Director

The accompanying notes form part of the financial statements.

Company statement of financial position

as at 31 December 2020

	Note	31 December 2020 £000	31 December 2020 £000	31 December 2019 £000	31 December 2019 £000
Non-current assets					
Investments	19	121,486		120,572	
Trade and other receivables	21	26,202		25,585	
Total non-current assets			147,688		146,157
Current assets					
Trade and other receivables	21	12,508		12,508	
Cash and cash equivalents	22	187		58	
Total current assets			12,695		12,566
Total assets			160,383		158,723
Equity and liabilities					
Equity attributable to the owners of the Company					
Share capital	27	968		968	
Share premium account	27	64,791		64,755	
Retained earnings		55,659		46,970	
Other reserves		9,195		8,281	
Total equity			130,613		120,974
Liabilities					
Current liabilities					
Trade and other payables	23	34		44	
Total current liabilities			34		44
Non-current liabilities					
Loans and borrowings	24	29,719		37,685	
Deferred tax liabilities	26	17		20	
Total non-current liabilities			29,736		37,705
Total liabilities			29,770		37,749
Total equity and liabilities			160,383		158,723

These financial statements were approved by the Board of Directors on 22 March 2021 and were signed on its behalf by:

NM STEVENS
Director

ML TIMMINS
Director

Company registered number: 09619906

The accompanying notes form part of the financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2020

	Share capital £000	Share premium £000	Other reserves £000	Non-controlling interest £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019	765	36,791	(61,067)	—	50,081	26,570
Total comprehensive income for the year						
Profit for the year	—	—	—	79	8,547	8,626
Total comprehensive income for the year	—	—	—	79	8,547	8,626
Transactions with owners, recorded directly in equity						
Issue of shares	203	28,909	7,449	—	—	36,561
Cost of share issue	—	(945)	—	—	—	(945)
Dividends	—	—	—	—	(2,933)	(2,933)
Deferred tax on share options exceeding profit and loss charge	—	—	1,113	—	—	1,113
Share option charge	—	—	512	—	—	512
Total contributions by and distributions to owners	203	27,964	9,074	—	(2,933)	34,308
Balance at 31 December 2019	968	64,755	(51,993)	79	55,695	69,504
Balance at 1 January 2020	968	64,755	(51,993)	79	55,695	69,504
Total comprehensive income for the year						
Profit for the year	—	—	—	89	8,075	8,164
Total comprehensive income for the year	—	—	—	89	8,075	8,164
Transactions with owners, recorded directly in equity						
Issue of shares	—	36	—	—	—	36
Dividends	—	—	—	—	(2,758)	(2,758)
Deferred tax on share options exceeding profit and loss charge	—	—	(1,113)	—	—	(1,113)
Share option charge	—	—	914	—	—	914
Total contributions by and distributions to owners	—	36	(199)	—	(2,758)	(2,921)
Balance at 31 December 2020	968	64,791	(52,192)	168	61,012	74,747

The accompanying notes form part of the financial statements.

Company statement of changes in equity

for the year ended 31 December 2020

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019	**765**	**36,791**	**320**	**46,762**	**84,638**
Total comprehensive income for the year					
Profit for the year	—	—	—	3,141	3,141
Total comprehensive income for the year	—	—	—	3,141	3,141
Transactions with owners, recorded directly in equity					
Issue of shares	203	28,909	7,449	—	36,561
Cost of share issue	—	(945)	—	—	(945)
Dividends	—	—	—	(2,933)	(2,933)
Share options charge	—	—	512	—	512
Total contributions by and distributions to owners	203	27,964	7,961	(2,933)	33,195
Balance at 31 December 2019	**968**	**64,755**	**8,281**	**46,970**	**120,974**
Balance at 1 January 2020	**968**	**64,755**	**8,281**	**46,970**	**120,974**
Total comprehensive income for the year					
Profit for the year	—	—	—	11,447	11,447
Total comprehensive income for the year	—	—	—	11,447	11,447
Transactions with owners, recorded directly in equity					
Issue of shares	—	36	—	—	36
Dividends	—	—	—	(2,758)	(2,758)
Share options charge	—	—	914	—	914
Total contributions by and distributions to owners	—	36	914	(2,758)	(1,808)
Balance at 31 December 2020	**968**	**64,791**	**9,195**	**55,659**	**130,613**

The accompanying notes form part of the financial statements.

Consolidated statement of cash flows

for year ended 31 December 2020

	Note	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Net cash generated from operating activities	30	16,690	10,388
Cash flows from investing activities			
Finance income		57	123
Purchase of property, plant and equipment		(1,290)	(208)
Proceeds from sale of property, plant and equipment		—	58
Development expenditure		(2,314)	(2,354)
Acquisitions, net of cash acquired		—	(38,864)
Net cash used in investing activities		(3,547)	(41,245)
Cash flows from financing activities			
Finance costs		(1,048)	(1,104)
Loan repayments made		(15,000)	(31,676)
Drawdown of loans		7,000	37,500
Transaction costs related to borrowing		(45)	(420)
Payment of deferred and other consideration		(725)	(1,130)
Payment of lease liability		(985)	(677)
Issue of share capital		36	29,072
Cost of issuing share capital		—	(945)
Dividends paid		(2,758)	(2,933)
Net cash (used in)/generated from financing activities		(13,525)	27,687
Net decrease in cash and cash equivalents		(382)	(3,170)
Cash and cash equivalents at start of year		10,666	13,836
Cash and cash equivalents at end of year		10,284	10,666

Operating costs of an exceptional nature, as per note 7, are included in net cash generated from operating activities. Payment of deferred and other consideration includes £725,000 (2019: £725,000) of deferred consideration payable for the acquisition of Landmark Surveyors Limited. In 2019, deferred consideration paid also included £405,000 in respect of the remaining share purchase for Zest Technology Limited. The deferred and other consideration is considered financing in nature given the time elapsed since the acquisitions.

The accompanying notes form part of the financial statements.

Notes
(forming part of the financial statements)

1 General information
Fintel plc's principal activity is the provision of Fintech and Support Services to the UK Retail Financial Services sector.

During the year, the Company changed its name from The SimplyBiz Group plc to Fintel Plc and related formalities were completed on 9 March 2021.

Fintel plc (the "Company") is a company incorporated and domiciled in the United Kingdom. On 31 July 2020, the Group changed its registered office from The John Smith's Stadium, Stadium Way, Huddersfield HD1 6PG to Fintel House (formerly St Andrews House), St. Andrew Road, Huddersfield, HD1 6NA. The registered number is 09619906.

2 Accounting policies
2.1 Basis of preparation
These financial statements have been prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS").

The parent company accounts have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken:

- certain comparative information as otherwise required by adopted IFRS;
- disclosure of related party transactions with other wholly owned members of the Group headed by Fintel plc; and
- to prepare a cash flow statement for the Company.

The financial information has been prepared on the historical cost basis.

The financial information is presented in the Company's presentational and functional currency of Pounds Sterling ("£"), quoted to the nearest £1,000 except when otherwise indicated.

The Company applied all standards and interpretations issued by the IASB that were effective as of 31 December 2020. The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in this financial information.

2.2 Basis of consolidation
The consolidated financial information includes the financial information Fintel plc and its subsidiary undertakings (the "Group"). Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and its ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

Under the Companies Act 2006, the Company is exempt from the requirement to present its own statement of profit or loss.

In the parent company financial statements, investments in subsidiaries are carried at cost less impairment.

2.3 Adoption of new and revised standards
The following adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- **Annual Improvements to IFRS Standards 2018 – 2020** (effective for annual periods beginning on or after 1 January 2022);
- **IFRS 17 'Insurance Contracts'** (effective for annual periods beginning on or after 1 January 2023);
- **Amendments to References to the Conceptual Framework** (Amendments to IFRS 3) (effective for annual periods beginning on or after 1 January 2022);
- **Classification of Liabilities as Current or Non-current** (Amendments to IAS 1) (effective for annual periods beginning on or after 1 January 2023).

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

2 Accounting policies continued

2.4 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- where the instrument will, or may, be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in the financial statements for called-up share capital and share premium account exclude amounts in relation to those shares.

2.5 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised at fair value, minus expected future losses. A provision for impairment of trade receivables is recognised based on lifetime expected losses, but principally comprise balances where objective evidence exists that the amount will not be collectible. Such amounts are written down to their estimated recoverable amounts, with the charge being made to operating expenses.

Trade and other payables

Trade and other payables are recognised at fair value.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and call deposits. Bank overdrafts that are repayable on demand and 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 statement of cash flows.

Investments

Investments in subsidiaries are carried at cost less impairment.

Amounts owed by/to Group Undertakings (Company only)

Amounts owed by Group undertakings are classed as non-current or current assets depending upon the timing of their expected recovery. Amounts due to Group undertakings are classified as current liabilities unless specific payment terms are in place.

2.6 Going concern

The Board has concluded that it is appropriate to adopt the Going Concern basis, having undertaken a rigorous review of financial forecasts and available resources, with additional specific consideration given to the uncertain impacts to the Group resulting from the COVID-19 pandemic, including short-term disruption and potential longer-term changes.

The Group's business activities, together with the factors likely to affect its future development and its financial position are described in the strategic report on pages 1 to 25. The Group's financial risk management objectives as well as details of its financial instruments and its exposure to interest, credit and liquidity risk are described in note 3.

The Group Directors have prepared cash flow forecasts for the Group for the period to April 2022 which indicate that, taking account of severe but plausible downside scenarios, the Group will have sufficient funds, through the Group's combined banking facilities to meet its liabilities as they fall due for that period.

The cash flow forecasts include the impact of the global outbreak of COVID-19, which has contributed to a net 3% drop of revenue in the year across the Group. Various sensitivity analyses have been performed to assess the impact of more severe but plausible downside scenarios to future trading including a 10% reduction in revenue streams for the period to April 2022, with the exception of a 50% reduction in revenue for the same period linked to the housing market. This downside is reflective of that experienced in the first lockdown in Q2 2020, albeit it extends for the entire forecast period. These scenarios do not include any potential cost mitigating action plans. Under these severe but plausible downside scenarios the Group continues to operate within its available facilities and does not incur any covenant breaches.

The Group has net current assets of £2,521,000 and net assets of £74,747,000 as at 31 December 2020 (31 December 2019: net current assets of £4,248,000 and net assets of £69,504,000). The undrawn balance on the revolving credit facility as at 31 December 2020 stands at £15m.

2 Accounting policies continued

2.6 Going concern continued

On the basis of the Group's current and forecast profitability and cash flows, the Directors consider and have concluded that the Group will have adequate resources to continue in operational existence for at least 12 months from the date of approving the financial statements. For these reasons they continue to adopt a going concern basis in the preparation of the financial statements.

2.7 Revenue recognition

Revenue is recognised by reference to the five-step model set out in IFRS 15. Revenue is recognised when an entity transfers goods or services to a customer, measured at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the good or service is transferred to the customer.

The following specific recognition criteria must also be met before revenue is recognised:

Membership fees

The Group's membership is a subscription model, with income recognised monthly, on an over time basis, in line with the access to services (output method). Where the membership fee includes specific performance obligations, such as regulatory visits, a proportion of the revenue, based on the standard price of such services when sold separately, is recognised when the specific service is delivered.

Additional services

Revenue from other membership services is recognised at the point at which the service is delivered, based on the value agreed with the customer. No significant performance obligations exist beyond the delivery of the core service, and therefore income is not recognised over time.

Software licence income and employee benefit software licence and project fees

Revenue from software licence income and fees is recognised over time, in line with the right to access to the software (output method). No significant judgements are made to determine the right of access.

Revenue from software project fees and consulting is recognised on the achievement of specific milestones and performance obligations, reflected in the agreement with the customer. The value of revenue recognised is based on the overall value of the contracts and its performance obligations. The Group has no long-term projects.

Marketing Service Agreements and Marketing Licencing

Marketing Service Agreements are provided to third-party financial institutions, and predominately subject to annual contracts. Contracts can include a number of individual performance obligations that are recognised separately as the service is delivered. The value of each performance obligation is based on internal list prices, relative to the total value of the contract. Where contracts relate to the provision of marketing collateral, revenue is recognised over the period of the contract, in line with the support provided to the customer and maintenance of the licensed brand (output method).

Asset Management fees

Asset management fees are accrued on an over time basis, by reference to the value of assets under management (output method).

Mortgage services and insurance panelling

Commission is recognised, in full, following the confirmation of the sale by the third-party provider, who is considered to be the principal, of underlying products, predominantly mortgage and insurance-related products. Revenue is recognised at a point in time, on a net basis, i.e. only for the commission due to the Group. No significant judgements are involved in the valuation of the commission. No performance obligations exist beyond the sale of the product by the third party.

Valuation services

Revenue is recognised at the point at which the service is delivered to the customer, based on the agreed price. No performance obligations exist beyond the provision of the service. No significant judgements are involved in the valuation of the revenues.

2.8 Research and development expenditure

Research expenditure is recognised as an expense, in profit or loss, in the year in which it is incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, if future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses. Amortisation is charged to profit or loss over the estimated useful lives of the assets, which are a range of three to five years. Development costs capitalised and included as an asset within the financial statements have not been treated as a realised loss for the purpose of determining distributable reserves.

2 Accounting policies continued

2.9 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Group assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. All lease assets are depreciated over the shorter of the useful economic life or expected lease period, unless it is expected that the Company will exercise an option to purchase the asset, in which case these assets are depreciated over their useful economic life. The estimated useful lives are as follows:

- Office equipment 3–5 years
- Property 20 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Plant and equipment includes IT equipment and motor vehicles.

2.10 Business combinations

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date, unless another measurement basis is required.

2.11 Non-controlling interests

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

2.12 Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose. Goodwill is not amortised but is tested annually for impairment.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the statement of profit or loss as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The basis for choosing these useful lives is with reference to the year over which they can continue to generate value for the Group. The estimated useful lives are as follows:

- Brands 10 years
- Intellectual property 8–15 years

2 Accounting policies continued

2.12 Intangible assets continued

Amortisation continued

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Software

The cost of implementation of software utilised by the Group is amortised over the useful economic life of the software.

2.13 Impairment excluding inventories and deferred tax assets

Financial assets (including trade and other receivables)

Financial assets are carried at fair value, less expected future losses.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

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. Information on the methodology and assumptions applied is set out in note 18. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units ("CGUs") that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.14 Leases

At 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.

Accounting as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use 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 right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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 interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate, determined by reference to its current borrowing facilities.

2 Accounting policies continued

2.14 Leases continued

Accounting as a lessee continued

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 measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities on the face of the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.15 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for:

- the initial recognition of goodwill; and
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets and liabilities are offset only if certain criteria are met.

2.16 Pensions

The pension costs charged in the financial information represent the contributions payable by the Company during the year on the defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amounts charged to the statement of profit or loss represent the contributions payable to the scheme in respect of the accounting period and represents the full extent of the Company's liability.

2.17 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends, this is when declared by the Directors. In the case of final dividends, this is when approved by the shareholders at a general meeting.

2.18 Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size, incidence or nature to enable a full understanding of the Group's underlying financial performance, details of which are disclosed in note 7.

2 Accounting policies continued

2.19 Share-based payments

A transaction is accounted for as a share-based payment where the Group receives services from employees, Directors or third parties and pays for these in shares or similar equity instruments.

The Group makes equity-settled share-based payments to certain employees and Directors. Equity-settled share-based schemes are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant, measured by use of an appropriate valuation model. The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the period services are received, based on the Group's estimate of shares that will eventually vest.

Share options are forfeited when an employee ceases to be employed by the Group unless determined to be a 'Good leaver'. A 'Good leaver' is a participant who ceases employment by reason of death, ill-health, disability or at the discretion of the Directors.

The Company grants share options under the share-based schemes directly to employees of its subsidiaries. The Company, over whose share options are issued, recognises an increase in the investment in the related subsidiary and a credit to the share-based payment reserve. The fair value of the employee service is based on the fair value of the equity instrument granted.

The Company issued share options to its Members (intermediary customers) in 2018. As the share issue included no future criteria for the members to meet, such as remaining a member during the vesting period, no associated share option charge is recognised and the scheme is treated as a dilution of shareholders when it vests.

2.20 Accounting for Government Support

Amounts receivable under the UK Government's Coronavirus Job Retention Scheme have been recognised in profit or loss on a systematic basis net of the expense for which the monies are intended to compensate, once any conditions related to the receipts are met. Further details of the support received is shown in note 9.

3 Financial instruments and financial risk management

The Company's principal financial liabilities comprise trade and other payables, borrowings and lease liabilities. The primary purpose of these financial liabilities is to finance the operations. The Company has trade and other receivables and cash that derive directly from its operations.

Financial assets

The financial assets were as follows:

	31 December 2020 £000	31 December 2019 £000
Cash and cash equivalents	10,284	10,666
Trade and other receivables	10,173	11,774

The Directors consider that the carrying amount of all financial assets approximates to their fair value.

Financial liabilities

The financial liabilities were as follows:

	31 December 2020 £000	31 December 2019 £000
Trade and other payables	17,455	17,195
Lease liabilities	5,070	2,716
Borrowings	29,719	37,685

The Directors consider that the carrying amount for all financial liabilities approximates to their fair value.

Financial risk management

The Company is exposed to interest rate risk, credit risk and liquidity risk. Senior management oversees the management of these risks and ensures that the financial risk taking is governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite.

The Board of Directors reviews and agrees the policies for managing each of these risks, which are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company accepts the risk of losing interest on deposits due to interest rate reductions.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including cash deposits with banks and financial institutions.

3 Financial instruments and financial risk management continued

Financial risk management continued

Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit risk is principally managed through the use of direct debit payments. Outstanding receivables are regularly monitored and discussed at executive management and Board level.

The requirement for impairment is analysed at each reporting date. The calculation is based on actual incurred historical data and anticipated future losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 21. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low as there is limited reliance on single, or a few, customers; instead, sales are typically small in size.

Financial instruments and cash deposits

Credit risk from cash balances with banks and financial institutions is managed in accordance with the Company's policy. Credit risk with respect to cash is managed by carefully selecting the institutions with which cash is deposited.

Liquidity risk

The Company is strongly cash generative and the funds generated by operating activities are managed to fund short-term working capital requirements. The Board carefully monitors the levels of cash are sufficient for normal operating requirements.

The following table details the Company's remaining contractual maturity for its financial liabilities based on undiscounted contractual payments:

	Within 1 year £000	1 to 2 years £000	2 to 5 years £000	Over 5 years £000	Total £000
31 December 2019					
Trade and other payables	3,776	—	—	—	3,776
Lease liabilities	540	337	713	1,126	2,716
Borrowings	—	—	37,685	—	37,685
31 December 2020					
Trade and other payables	**2,105**	**—**	**—**	**—**	**2,105**
Lease liabilities	**561**	**435**	**3,192**	**882**	**5,070**
Borrowings	**—**	**—**	**29,719**	**—**	**29,719**

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while also maximising the operating potential of the business. The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. The Company is not subject to externally imposed capital requirements.

4 Critical accounting estimates and judgements

The Company makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The major source of estimation uncertainty relates to the estimation of future cash flows, particularly for the value-in-use calculations for the Research & Fintech CGU.

More information, including carrying values and sensitivities in respect of the Research & Fintech CGU, is included in note 18.

5 Revenue

The total revenue for the Group has been derived from its principal activity: the provision of compliance, distribution and technology services to financial intermediaries and financial institutions. The Group also operates a Fintech platform and provides independent ratings of financial products and funds. All the revenue relates to trading undertaken in the UK, except for less than £0.2m in Defaqto Nordic and sales into Asia Pacific of £558,000 (2019: £nil).

In the following table, revenue is disaggregated by major product/service lines and timing of revenue recognition:

Major product/service lines	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Rendering of services	44,866	44,997
Commission	8,983	11,312
Licence income	7,156	6,465
Total	61,005	62,774

Timing of transfer of goods or services	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Products and services transferred at a point in time	25,279	30,371
Products and services transferred over time	35,726	32,403
Total	61,005	62,774

6 Segmental information

During the year, the Company was domiciled in the UK and substantially all revenue is derived from external customers in the United Kingdom. The Group has an operation in Norway, which is wholly immaterial to the Group's revenues.

The Group has three operating segments, which are considered to be reportable segments under IFRS. The three reportable segments are:

- Intermediary Services;
- Distribution Channels; and
- Research & Fintech.

Intermediary Services provides compliance and regulation services to individual financial intermediary Member Firms, including directly authorised IFAs, directly authorised mortgage advisers, workplace consultants and directly authorised wealth managers.

Distribution Channels provides marketing and promotion, product panelling and co-manufacturing services to financial institutions. This division of the Group also undertakes survey panelling and surveying work for mortgage lenders.

The Research & Fintech segment provides a Fintech platform for over 9,000 users, across 3,300 firms and providing independent ratings of 21,000 financial products and funds, licenced by 250 brands.

The reportable segments are derived on a product / customer type basis. Management have applied their judgement on application of IFRS 8, with operating segments reported in a manner consistent with the internal reporting produced to the chief operating decision makers ("CODM"). The chief operating decision makers are deemed to be the Joint CEOs. No aggregation of operating segments has occurred.

Segmental information is provided for Adjusted EBITDA, which is the measure used when reporting to the CODM.

6 Segmental information continued

The tables below present the segmental information.

Year ended 31 December 2020	Intermediary Services £000	Distribution Channels £000	Research & Fintech £000	Group £000
Revenue	25,113	20,621	15,271	61,005
Adjusted operating expenses, before amortisation, depreciation, exceptional costs and share option charge	(19,627)	(15,344)	(8,710)	(43,681)
Adjusted EBITDA	5,486	5,277	6,561	17,324
Operating costs of an exceptional nature				(774)
Amortisation of other intangible assets				(1,988)
Amortisation of development costs and software				(1,147)
Depreciation				(290)
Depreciation of lease assets				(826)
Share option charge				(914)
Operating profit				11,385

Year ended 31 December 2019	Intermediary Services £000	Distribution Channels £000	Research & Fintech £000	Group £000
Revenue	24,153	26,838	11,783	62,774
Adjusted operating expenses, before amortisation, depreciation, exceptional costs and share option charge	(18,264)	(20,070)	(6,712)	(45,046)
Adjusted EBITDA	5,889	6,768	5,071	17,728
Operating costs of an exceptional nature				(2,009)
Amortisation of other intangible assets				(1,579)
Amortisation of development costs and software				(633)
Depreciation				(286)
Depreciation of lease assets				(707)
Share option charge				(512)
Operating profit				12,002

The comparative adjusted EBITDA has been adjusted by £724k to include the IFRS 16 impact, in order to be comparable to the current year disclosed adjusted EBITDA.

In determining the trading performance of the operating segments central costs are allocated based on the divisional contribution of revenue to the Group.

The statement of financial position is not analysed between the reporting segments for management and the chief operating decision makers consider the Group statement of financial position as a whole.

No customer has generated more than 10% of total revenue during the year covered by the financial information.

7 Operating profit

Operating profit for the year has been arrived at after charging:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Depreciation of tangible assets – owned	290	286
Depreciation of lease assets	826	707
Research expenditure	689	472
Operating costs of exceptional nature:		
Restructuring costs	573	—
Professional fees for acquisitions	—	1,621
Loss of office expense	201	388
	774	2,009

7 Operating profit continued

Auditor's remuneration:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Audit of these financial statements	235	220
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	110	92
Other assurance services	—	—

Operating costs of exceptional nature

Restructuring costs relate to a Group wide restructuring & redundancy program, which was implemented during the COVID-19 pandemic. Professional fees for acquisitions relate to the purchase of Defaqto in 2019. Loss of office expenses relate to the redundancy of senior employees in 2019 and 2020.

8 Reconciliation of GAAP to non-GAAP measures

The Group uses a number of "non-GAAP" figures as comparable key performance measures, as they exclude the impact of items that are non cash items and also items that are not considered part of ongoing underlying trade. Amortisation of other intangible assets has been excluded on the basis that it is a non-cash amount, relating to acquisitions in prior periods. The Group's "non-GAAP" measures are not defined performance measures in IFRS. The Group's definition of the reporting measures may not be comparable with similar titled performance measures in other entities.

Adjusted EBITDA is calculated as follows:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Operating profit	11,385	12,002
Add back:		
Depreciation (note 17)	290	286
Depreciation of lease assets (note 17)	826	707
Other intangible asset amortisation (note 18)	1,988	1,579
Amortisation of development costs and software (note 18)	1,147	633
EBITDA	15,636	15,207
Add back:		
Share option charge	914	512
Operating costs of exceptional nature (note 7)	774	2,009
Adjusted EBITDA	17,324	17,728

Operating costs of an exceptional nature have been excluded as they are not considered part of the underlying trade. Share option charges have been excluded from Adjusted EBITDA as non-cash items.

The comparative adjusted EBITDA has been adjusted by £724k to include the IFRS 16 impact, in order to be comparable to the current year disclosed adjusted EBITDA.

Adjusted profit before tax is calculated as follows:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Profit before tax	10,191	10,844
Add back:		
Operating costs of exceptional nature (note 7)	774	2,009
Amortisation of other intangible assets (note 18)	1,988	1,579
Adjusted profit before tax	12,953	14,432

8 Reconciliation of GAAP to non-GAAP measures continued

Adjusted profit after tax is calculated as follows:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Profit after tax	8,164	8,626
Add back:		
Operating costs of exceptional nature (note 7), net of tax	627	2,009
Amortisation of other intangible assets (note 18), net of deferred tax	2,119	1,306
Adjusted profit after tax	10,910	11,941

The comparative adjusted EBITDA has been adjusted by £13k to remove the impact of IFRS 16 accounting and by £424k to remove the annual share option charge in order to be comparable to the current year disclosed adjusted profit after tax. The directors have elected to not strip out share option charges in 2020, given their re-curring nature.

Free cash flow conversion is calculated as follows:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Net cash generated from operating activities	16,690	10,388
Adjusted for:		
Operating costs of exceptional nature (note 7)	774	2,009
Finance income	57	123
Finance costs	(1,048)	(1,104)
Purchase of property, plant and equipment	(1,290)	(208)
Proceeds from sale of property, plant and equipment	—	58
Payment of lease liability	(985)	(677)
Development expenditure	(2,314)	(2,354)
Free cash flow	11,884	8,235
Adjusted EBITDA (as above)	17,324	17,728
Free cash flow conversion	69%	46%

9 Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees Year ended 31 December 2020	Number of employees Year ended 31 December 2019
Directors	6	7
Operational	569	543
	575	550

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Wages and salaries	22,512	21,681
Social security costs	2,742	2,637
Share-based payment awards	914	512
Contributions to defined contribution plans	1,422	1,833
Government grants received	(1,239)	—
	26,351	26,663

The Group has received financial assistance during the year ended 31 December 2020 from the Coronavirus Job Retention Scheme. Further details can be found in note 31.

10 Remuneration of key management personnel

Key management personnel represent those personnel who hold a statutory directorship in Fintel plc for the period whilst they hold the statutory directorship. Further details are disclosed in the Directors' emoluments table and Share options and incentive schemes disclosure on page 35 which form part of these audited financial statements. Further information on the Directors' remuneration and benefits are as follows:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Wages and salaries	1,372	1,091
Share-based payments	380	179
Social security costs	178	139
Pension costs	8	9
Compensation for loss of office	201	—
	2,139	1,418

11 Finance income

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Bank interest receivable	57	123
	57	123

12 Finance expense

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Interest payable on financial liabilities at amortised cost	1,118	1,249
Finance charge on lease liability	133	32
	1,251	1,281

13 Earnings per share

Basic earnings per share	Year ended 31 December 2020	Year ended 31 December 2019
Profit attributable to equity shareholders of the parent (£000)	8,075	8,547
Weighted average number of shares in issue	96,792,089	92,386,063
Basic profit per share (pence)	8.3	9.3

Diluted earnings per share	Year ended 31 December 2020	Year ended 31 December 2019
Profit attributable to equity shareholders of the parent (£000)	8,075	8,547
Weighted average number of shares in issue	96,792,089	92,386,063
Diluted weighted average number of shares and options for the year	812,602	2,973,289
	97,604,691	95,359,352
Diluted profit per share (pence)	8.3	9.0

During 2020 and as at 31 December 2020, the Management Incentive Plan ("MIP"), as described in note 28, did not exceed the required equity hurdle.

As at 31 December 2020, 3,390,604 options issued to Members (intermediary customers) were less than the share price, making them "in the money". They have therefore been included in the diluted weighted average number of shares above.

An adjusted EPS has been calculated below based on the adjusted profit after tax, which removes items not considered to be part of underlying trading.

13 Earnings per share continued

Adjusted basic earnings per share	Year ended 31 December 2020	Year ended 31 December 2019
Adjusted profit after tax (note 8) (£000)	10,910	11,941
Weighted average number of shares in issue	96,792,089	92,386,063
Adjusted earnings per share (pence)	11.3	12.9

14 Taxation

	Year ended 31 December 2020 £000	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000	Year ended 31 December 2019 £000
Current tax				
Current tax on income for the year	2,061		2,532	
Adjustments in respect of prior years	(70)		(37)	
Total current tax		1,991		2,495
Deferred tax (note 26)				
Origination and reversal of timing differences	(207)		(277)	
Change in deferred tax rate	602		—	
Adjustments in respect of prior years	(359)		—	
Total deferred tax		36		(277)
Total tax		2,027		2,218

£1,113,000 of deferred tax charge (2019: £1,113,000 deferred tax credit) has been recognised directly in equity.

Analysis of current tax recognised in profit or loss

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
UK corporation tax	2,061	2,532
Adjustment in respect of prior years	(70)	(37)
Total current tax recognised in statement of profit or loss	1,991	2,495

Reconciliation of effective tax rate

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Profit for the year	8,164	8,626
Total tax charge	2,027	2,218
Profit before taxation	10,191	10,844
Tax using the UK corporation tax rate of 19.0% (2019: 19.0%)	1,936	2,060
Non-deductible expenses	7	218
Research and development benefit	(89)	—
Change in deferred tax rate	602	(32)
Share options	—	9
Adjustments in respect of prior year	(429)	(37)
Total tax charge included in profit or loss	2,027	2,218

Changes affecting the future tax charge

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the deferred tax balances in the future.

Adjustments in respect of prior year's result from the submission of prior year research and development claims, and the update of the tax provisioning to the year-end computations.

14 Taxation continued

Changes affecting the future tax charge continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date, and therefore these have been measured at 19% (2019: 17%).

15 Dividends

The following dividends were declared and paid by the Company for the year:

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Dividend paid by the Company:		
2018 Final – 2.05 pence per qualifying Ordinary Share	—	1,568
2019 Interim – 1.41 pence per qualifying Ordinary Share	—	1,365
2019 Final – 2.85 pence per qualifying Ordinary Share	2,758	—
	2,758	2,933

The Board is proposing a full year dividend in respect of 2020 of 2.85 pence per share, payable on 7 May 2021, to shareholders on the register on 9 April 2021.

16 Profit of the parent company

As permitted by section 408 of the Companies Act 2006, the statement of profit or loss of the Company is not presented as part of these financial statements. The Company's profit for the financial year was £11,447,000 (2019: profit of £3,141,000).

17 Property, plant and equipment

	Lease assets			Owned assets	
Group	Property £000	Plant and equipment £000	Total £000	Office equipment £000	Total £000
Cost					
At 31 December 2018	—	—	—	1,443	1,443
Recognition of right-of-use asset on initial application of IFRS 16	343	225	568	—	568
Adjusted balance at 1 January 2019	343	225	568	1,443	2,011
Additions	2,300	286	2,586	208	2,794
Disposals	—	—	—	(216)	(216)
Acquisitions	11	195	206	213	419
At 31 December 2019	2,654	706	3,360	1,648	5,008
Additions	3,014	192	3,206	1,290	4,496
Disposals	(429)	(35)	(464)	(178)	(642)
At 31 December 2020	**5,239**	**863**	**6,102**	**2,760**	**8,862**
Depreciation and impairment					
At 1 January 2019	—	—	—	1,068	1,068
Depreciation charge for the year	407	300	707	286	993
Disposals	—	—	—	(160)	(160)
At 31 December 2019	407	300	707	1,194	1,901
Depreciation charge for the year	522	304	826	290	1,116
Disposals	(427)	(35)	(462)	(178)	(640)
At 31 December 2020	**502**	**569**	**1,071**	**1,306**	**2,377**
Net book value					
At 31 December 2020	**4,737**	**294**	**5,031**	**1,454**	**6,485**
At 31 December 2019	2,247	406	2,653	454	3,107

Plant and equipment includes IT equipment and motor vehicles. In February, the Group entered into a significant lease contract for its head office. The contract runs for a total of 15 years, with an option to purchase the building from August 2022 to January 2023, which management expect to exercise. The lease asset and liability were valued at £2.7m on inception, which includes the aforementioned purchase option, discounted at an incremental borrowing rate of 2.8% (note 25). The lease asset is being depreciated over 20 years, which is in line with the accounting policy disclosed in note 2.9.

18 Intangible assets

Group	Goodwill £000	Software £000	Brand £000	Intellectual Property £000	Total Other Intangible Assets £000	Development expenditure £000	Total £000
Cost							
At 1 January 2019	19,770	—	115	897	1,012	2,790	23,572
Acquisitions	56,406	34	2,940	23,551	26,491	—	82,931
Additions	—	—	—	—	—	2,354	2,354
At 31 December 2019	76,176	34	3,055	24,448	27,503	5,144	108,857
Additions	—	—	—	—	—	2,314	2,314
At 31 December 2020	**76,176**	**34**	**3,055**	**24,448**	**27,503**	**7,458**	**111,171**
Amortisation and impairment							
At 1 January 2019	178	—	12	112	124	133	435
Charge in the year	—	14	241	1,338	1,579	619	2,212
At 31 December 2019	178	14	253	1,450	1,703	752	2,647
Charge in the year	—	15	306	1,682	1,988	1,132	3,135
At 31 December 2020	**178**	**29**	**559**	**3,132**	**3,691**	**1,884**	**5,782**
Net book value							
At 31 December 2020	**75,998**	**5**	**2,496**	**21,316**	**23,812**	**5,574**	**105,389**
At 31 December 2019	75,998	20	2,802	22,998	25,800	4,392	106,210

Capitalised development expenditure relates to the development of the software platform in Zest Technology Limited, and technologies in Defaqto.

The goodwill impairment of £178,000 relates to a balance in a subsidiary company, where the specific service line has ended. This is separate from the goodwill that exists on consolidation, which is subject to a separate impairment review described below.

The carrying amount of goodwill is allocated across operating segments, which are deemed to be cash-generating units ("CGUs") as follows:

	31 December 2020 £000	31 December 2019 £000
Intermediary Services	**15,049**	15,049
Distribution Channels	**12,923**	12,923
Research & Fintech	**48,026**	48,026
	75,998	75,998

Goodwill is determined to have an infinite useful economic life. The Group has determined that, for the purposes of impairment testing, each segment is a cash-generating unit ("CGU"). The recoverable amounts for the CGUs are predominantly based on value in use, which is calculated on the cash flows expected to be generated using the latest projected data available over a five-year period, plus a terminal value estimate.

The key assumptions in the value in use calculation are the pre-tax discount rate (range of 12.2% to 13.1%; 2019: range of 13.6% to 14.1%), annual adjusted EBITDA growth rate (range of 8% to 18.9%; 2019: 5% to 20%) and the terminal growth rate (2%; 2019: range of 2% to 3%). The discount rate is based on the Group's pre-tax cost of capital, which is compared with other discount rates in the sector, and considered to be a reasonable market participant's rate. The projected EBITDA growth rate is built up on the Board-approved budget and plan, taking into account historical trends. The terminal growth rate is based on the expected growth rate into perpetuity and the expected long term growth rate of the UK economy.

Within the cash flow projections for the 2020 assessment, the Group has taken into account the anticipated increase in UK Corporation Tax to 25% from April 2023, that was announced in the budget in March 2021.

18 Intangible assets continued

The Directors have reviewed the recoverable amounts of the CGUs and have identified that a reasonably possible change in the following assumptions for the Research & Fintech CGU could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount. The Group would expect that the Research & Fintech CGU is likely to be the most sensitive to changes in assumptions, due to the recency of the acquisition. Additional sensitivity analysis has been performed to examine the impact on the carrying value of the current level of research and development expenditure being maintained in the long term. Taking this sensitivity into account management conclude that the carrying value remains substantiated. Headroom on the carrying value of Goodwill in the other two CGUs is not considered to be sensitive to reasonable changes in assumptions, which would trigger an impairment.

	Assumption		Change required for carrying amount to equal recoverable amount	
In percent	2020	2019	2020	2019
Research & Fintech				
Annual adjusted EBITDA growth (Yrs 1–5)	11.0%	15.0%	-142 bps	-300 bps
Discount rate	13.1%	13.6%	+65 bps	+150 bps
Long term growth rate	2.0%	3.0%	-110 bps	-190 bps

19 Fixed asset investments

Company	Shares in Group undertakings £000	Total £000
Cost		
At 1 January 2020	120,572	120,572
Additions	914	914
At 31 December 2020	**121,486**	**121,486**
Provisions		
At 1 January 2020 and 31 December 2020	—	—
Net book value		
At 31 December 2020	**121,486**	**121,486**
At 31 December 2019	120,572	120,572

The Directors consider the carrying value of investments to be supported by the net assets and future cash flows of the businesses. The key assumptions in the value in use calculation are consistent to those applied over goodwill in note 18.

The additions include £914,000 (2019: £512,000) relating to share option charges in the subsidiary companies, which will be settled through equity in Fintel plc.

19 Fixed asset investments continued

	Country of incorporation	Principal activity	Class and percentage of shares held	
			Group	Company
Subsidiary undertakings				
Simply Biz Limited*	UK	Group management	Ordinary 100%	Ordinary 100%
SIFA Limited*	UK	Business support services	Ordinary 100%	–
Simply Biz Support Limited*	UK	Various business support services	Ordinary 100%	–
APS Legal and Associates Limited*	UK	Legal services	Ordinary 100%	–
Simply Biz Services Limited*	UK	Various business services	Ordinary 100%	–
Simply Biz Mortgages Limited*	UK	Provision of mortgage club facility	Ordinary 100%	–
Capital Reward Clients Limited*	UK	Non-trading	Ordinary 100%	–
Zest Benefits Limited	UK	Dormant	Ordinary 100%	–
Zest Technology Limited*	UK	Business support software	Ordinary 100%	–
Staffcare Limited	UK	Dormant	Ordinary 100%	–
Capital Reward Limited	UK	Non-trading	Ordinary 99.84%	–
Capital Reward Plus Limited	UK	Non-trading	Ordinary 100%	–
New Model Business Academy Limited	UK	Business services training	Ordinary 100%	–
Fintel Group Limited (formerly 360 Legal Group Limited)	UK	Dormant	Ordinary 100%	–
Gateway Surveying Services Limited*	UK	Property survey agency	Ordinary 100%	–
Sonas Surveyors Limited*	UK	Survey and valuation services	Ordinary 100%	–
Professional Finance Broking Limited	UK	Dormant	Ordinary 100%	–
Financial Intermediary and Broker Association Limited	UK	Trade association	Ordinary 100%	–
IKST Limited	UK	Dormant	Ordinary 100%	–
Verbatim Asset Management Limited*	UK	Holding company	Ordinary 100%	–
Verbatim Portfolio Management Limited	UK	Investment planning tools	Ordinary 100%	–
Verbatim Adviser Services Limited*	UK	Non-trading	Ordinary 100%	–
Verbatim Investments Limited*	UK	Asset management vehicle	Ordinary 100%	–
Landmark Surveyors Limited*	UK	Survey and valuation services	Ordinary 100%	–
Regulus Topco Limited	UK	Provision of management and finance services	Ordinary 100%	Ordinary 100%
Regulus Midco Limited	UK	Provision of management and finance services	Ordinary 100%	–
Regulus Bidco Limited	UK	Provision of management and finance services	Ordinary 100%	–
Defaqto Group Limited	UK	Provision of management and finance services	Ordinary 100%	–
Defaqto Ltd	UK	Financial research provider	Ordinary 100%	–
Jump Topco Limited	UK	Intermediate holding company	Ordinary 65%	–
Comparison Creator Limited	UK	Provider of financial product comparison software	Ordinary 65%	–
Defaqtomedia Limited	UK	Website administration	Ordinary 100%	–
Find Limited	UK	Dormant	Ordinary 100%	–
Defaqto Europe Limited	UK	Dormant	Ordinary 100%	–
Defaqto Nordic AS	Norway	Financial research provider	Ordinary 61%	–

On 24 July 2017, the Group entered into an agreement to purchase the remaining shares in Zest Technology Limited, with the first tranche of 16,078 Ordinary Shares purchased on 3 August 2017 and the second tranche of 7,392 shares purchased for £202,000 on 2 August 2018, increasing the shareholding to 91.3%. The remaining tranche of shares was purchased for £405,000 on 27 July 2019, increasing the shareholding to 100%.

On 21 March 2019, the Group purchased 100% of the share capital of Regulus Topco Limited, as described in note 20.

All subsidiaries marked with an asterisk are party to a cross-guarantee against the bank loans of Fintel plc.

19 Fixed asset investments continued

As at 31 December 2019, the trade and assets of both Landmark Surveyors Limited and Sonas Surveyors Limited were hived up into Gateway Surveying Services Limited.

The registered address of all subsidiaries is Fintel House, St. Andrews Road, Huddersfield, HD1 6NA, with the exception of the following:

- Zest Technology Limited – Leatherhead House, Station Road, Leatherhead, Surrey, KT22 7FG.
- Comparison Creator Limited and Jump Topco Limited – Springboard Business Centre, Llantarnam Park, Cwmbran, UK, NP44 3AW.
- Regulus Topco Limited, Regulus Midco Limited, Regulus Bidco Limited, Defaqto Group Limited, Defaqto Ltd, Defaqtomedia Limited, Find Limited & Defaqto Europe Limited – Financial Research Centre, Haddenham Business Park, Pegasus Way, Haddenham, Aylesbury, Buckinghamshire, HP17 8LJ.
- Defaqto Nordic AS – Vassbonnveien 18, 1410 Kolbotn, Norway.

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations:

31 December 2020	Comparison Creator £000
NCI percentage	35%
Non-current assets	11
Current assets	1,189
Non-current liabilities	—
Current liabilities	(528)
Net assets	672
Net assets attributable to NCI	235
Revenue	1,109
Profit	306
Total comprehensive income	256
Profit allocated to NCI	90

Comparison Creator is a subsidiary of Jump Topco Limited, which is a non-trading intermediary holding company. During the year the entity paid a dividend of £50,000 (2019: £nil).

The Group also has an NCI in Defaqto Nordic AS, which has a loss allocated to NCI of £1,000 (2019: £21,000) for the year.

20 Acquisitions

On 21 March 2019, the Group purchased 100% of the share capital of Regulus Topco Limited, owner of Defaqto, a financial services tech business for total consideration of £51.4 million. Acquired borrowings of £24.7 million were settled soon after completion of the transaction. No acquisitions occurred in 2020.

20 Acquisitions continued

The following fair values were determined provisionally, based on the Group's preliminary assessment, and have been finalised in 2020, without any adjustment.

	Fair value £000
Net assets acquired	
Property, plant and equipment	213
Lease asset	206
Other intangible assets – software	34
Trade and other receivables	2,791
Income tax receivable	578
Cash and cash equivalents	5,030
Trade and other payables	(3,281)
Deferred revenue	(7,360)
Borrowings	(24,676)
Lease liability	(206)
Intangible assets – brands	2,940
Intangible assets – intellectual property	23,551
Deferred tax liability	(4,814)
	(4,994)
Consideration paid	
Cash price paid	43,894
Shares issued	7,489
	51,383
Goodwill	56,377

The intellectual property asset is a single primary asset covering customer relationships, technology and data, which collectively meet the separability criteria in IAS 38.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets and liabilities acquired were as follows:

- Property, plant and equipment – Market comparison technique and cost technique: The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
- Intangible assets – Relief-from-royalty method and multi-excess earnings method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows relates to contributory assets.
- Deferred revenue – The deferred revenue has been recorded at book value on the basis that future cash outflows of a market participant would not be significantly different.

Goodwill acquired on the acquisition relates to the assembled workforce and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes. The acquisition significantly expands our customer base and breadth of proposition, whilst enhancing the Group's product margins.

21 Trade and other receivables

	Group 31 December 2020 £000	Company 31 December 2020 £000	Group 31 December 2019 £000	Company 31 December 2019 £000
Current assets				
Trade receivables	7,475	—	8,875	—
Provision against receivables	(678)	—	(668)	—
	6,797	—	8,207	—
Amounts owed by Group undertakings	—	12,500	—	12,500
Other receivables	419	—	185	—
Prepayments	1,074	8	1,137	8
Accrued income	1,883	—	2,245	—
	10,173	12,508	11,774	12,508
Non-current assets				
Amounts owed by Group undertakings	—	26,202	—	25,585
	—	26,202	—	25,585

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value, less anticipated future losses. The entity has defined default as any trade receivable which is more than 90 days past due. Once the receivable has defaulted an expected credit loss is recognised as the difference between the gross carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For trade and other receivables which are not past due, the Directors assess whether there has been a significant increase in credit risk and measure anticipated future losses accordingly. For trade and other receivables not 90 days past due, the estimated anticipated future losses were immaterial at measurement date. The Directors do not provide for aged debt as a result of the payment holiday support package offered to members throughout the COVID-19 disruption. A provision is only made for plans which are considered to be noncollectable.

Accrued income relates primarily to the Group's right to consideration for work completed but not billed at the reporting date on 31 December 2020. There was no impact on accrued income as a result of the acquisition of Defaqto. The accrued income is transferred to trade receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Amounts owed by Group undertakings are repayable on demand and do not attract interest. Amounts shown as current assets are expected to be recovered within 12 months based on a normal operating cycle.

The ageing profile of overdue trade receivables was as follows:

	Group 31 December 2020 £000	Group 31 December 2019 £000
31–60 days	1,061	2,191
61–90 days	286	799
Over 90 days	1,660	1,477
	3,007	4,467

The Company provides against trade receivables based on the expected future loss model in IFRS 9.

Movement in the provision for trade receivables was as follows:

	Group 31 December 2020 £000	Group 31 December 2019 £000
Balance at beginning of year	668	605
Increase for trade receivables regarded as potentially uncollectable	280	256
Decrease in provision for trade receivables recovered, or written off, during the year	(270)	(193)
	678	668

22 Cash and cash equivalents

	Group 31 December 2020 £000	Company 31 December 2020 £000	Group 31 December 2019 £000	Company 31 December 2019 £000
Cash and cash equivalents	10,284	187	10,666	58

Cash and cash equivalents comprise cash at bank and cash in hand.

23 Trade and other payables

	Group 31 December 2020 £000	Company 31 December 2020 £000	Group 31 December 2019 £000	Company 31 December 2019 £000
Current liabilities				
Trade payables	1,501	—	2,484	—
Other tax and social security	3,534	—	2,405	—
Other payables	604	—	1,292	—
Deferred income	7,288	—	6,494	—
Accruals	4,528	34	4,520	44
	17,455	34	17,195	44

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Other payables within current liabilities at 31 December 2019 include £725,000 of deferred consideration in respect of Landmark Surveyors Limited.

Deferred income primarily relates to the advance consideration received from customers for predominately Research and Fintech products. The deferred income will be recognised over the course of the following year.

24 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and Company's interest-bearing loans and borrowings.

	Group 31 December 2020 £000	Company 31 December 2020 £000	Group 31 December 2019 £000	Company 31 December 2019 £000
Secured bank loan				
Current	—	—	—	—
Less loan arrangement fees	—	—	—	—
Non-current	30,000	30,000	38,000	38,000
Less loan arrangement fees	(281)	(281)	(315)	(315)
	29,719	29,719	37,685	37,685

On 21 March 2019, the Group repaid its loan facility provided by Yorkshire Bank and drew down £45.0m from a Revolving Credit Facility ("RCF") provided in two equal amounts of £22.5m from Yorkshire Bank and NatWest. The drawdown from Yorkshire Bank was net of the settlement of the previous funding. The RCF was a four-year facility, with the option of a one-year extension. The extension was exercised during 2020. The margin payable on the RCF is based on the net leverage of the Group with a range of 1.5% to 2.6% above LIBOR.

On 21 March 2019, the Group repaid the acquired debt of Defaqto of £24.7m (including accrued interest).

On 21 June 2019, the Group repaid £3.0m of the RCF, and on 23 December 2019 repaid £4.0m.

On 23 March 2020, the Group drew down £7.0m of the RCF. On 23 September 2020, the Group repaid £10.0m and on 24 December 2020, the Group repaid £5.0m.

24 Interest-bearing loans and borrowings continued

Changes in liabilities from financing activities:

	Loans and borrowings £000
Balance at 1 January 2020	37,685
Other changes	
Interest expense (note 12)	1,118
Movement in interest accrual	9
Changes from financing cash flows	
Repayment of loan	(15,000)
Drawdown of loans	7,000
Arrangement fees	(45)
Interest paid	(1,048)
Balance at 31 December 2020	**29,719**

25 Leases

The Group leases office facilities, IT equipment and motor vehicles.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property and plant and equipment, are presented in note 17 – property, plant and equipment.

Lease liabilities

The following lease liabilities existed at 31 December:

	Group 31 December 2020 £000	Group 31 December 2019 £000
Current	561	540
Non-current	4,509	2,176
	5,070	2,716

Changes in lease liabilities from financing activities:

	Lease liabilities borrowings £000
Balance at 1 January 2020	2,716
Other changes	
Interest expense (note 12)	133
New leases	3,206
Changes from financing cash flows	
Lease payments	(985)
Balance at 31 December 2020	**5,070**

During the year, the Group entered into a significant lease contract for its head office with an option to purchase the building, which management expect to exercise. The lease asset and liability were valued at £2.7m on inception, which includes the aforementioned purchase option (note 17). All other leases are on fixed repayment basis and no arrangement has been entered into for contingent rental payments. Interest rates are fixed at contract date for all leases.

Amounts recognised in profit and loss

	31 December 2020 £000	31 December 2019 £000
Interest on lease liabilities	133	32
Depreciation of lease asset	826	707

No short-term or low value leases existed during 2020 and as at 31 December 2020.

26 Deferred taxation

	Group 31 December 2020 £000	Company 31 December 2020 £000	Group 31 December 2019 £000	Company 31 December 2019 £000
Deferred taxation				
Balance at the beginning of the year	(4,006)	(20)	(582)	(23)
Acquisition	—	—	(4,814)	—
Recognised in profit or loss	(36)	3	277	3
Recognised in equity	(1,113)	—	1,113	—
Balance at the end of the year	(5,155)	(17)	(4,006)	(20)

	Short-term timing differences £000	Accelerated capital allowances £000	Other timing differences £000	Total £000
Balance at 1 January 2020	(4,038)	32	—	(4,006)
(Charge)/credit to profit or loss	139	(175)	—	(36)
Recognised in equity	(1,113)	—	—	(1,113)
Balance at 31 December 2020	(5,012)	(143)	—	(5,155)

	Short-term timing differences £000	Accelerated capital allowances £000	Other timing differences £000	Total £000
Balance at 1 January 2019	(615)	33	—	(582)
Acquisition	(4,814)	—	—	(4,814)
(Charge)/credit to profit or loss	278	(1)	—	277
Recognised in equity	1,113	—	—	1,113
Balance at 31 December 2019	(4,038)	32	—	(4,006)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 31 December 2020 £000	Liabilities 31 December 2020 £000	Net 31 December 2020 £000	Assets 31 December 2019 £000	Liabilities 31 December 2019 £000	Net 31 December 2019 £000
Short-term timing differences	243	(5,255)	(5,012)	1,424	(5,462)	(4,038)
Accelerated capital allowances	22	(165)	(143)	32	—	32
Other	—	—	—	—	—	—
Net tax assets/(liabilities)	265	(5,420)	(5,155)	1,456	(5,462)	(4,006)

The Company has a deferred tax liability of £17,000 (2019: £20,000) in relation to short-term timing differences.

Tax losses of £68,000 (2019: £261,000) have been recognised in a specific subsidiary on the basis of expected future profits. The Group has £797,000 (2019: £624,000) of other tax losses, on which no deferred tax assets have been recognised, due to uncertainty over the future utilisation of the losses, as they exist in specific subsidiaries and are not available for loss relief. The deferred tax liability includes £4.5m (2019: £4.4m) of short-term timing differences on the other intangible assets arising in the Defaqto acquisition.

A deferred tax charge of £1,113,000 (2019: £1,113,000 deferred tax credit) has been recognised in equity in relation to the reversal of deferred tax on the MIP share option plan because the MIP did not exceed the equity vesting hurdle as at 31 December 2020.

The deferred tax asset includes £nil (2019: £1,262,000) that is classified as non-current.

27 Capital and reserves

Share capital

	Ordinary shares
Number of fully paid shares: (nominal value £0.01)	
At 1 January 2019	76,470,588
Issue of share capital	20,311,708
At 31 December 2019	96,782,296
Issue of share capital	24,316
At 31 December 2020	**96,806,612**

On 21 March 2019, the Company issued 20,311,708 new £0.01 Ordinary Shares for £1.80 per share, as part of the funding for the acquisition of Defaqto. 4,160,000 of these shares were issued in part consideration for the acquisition of Defaqto (note 29).

On 20 July 2020, the Company issued 21,728 new £0.01 Ordinary Shares for £1.70 per share to settle SAYE and MSOP share options. On 23 December 2020, the Company issued 2,588 new £0.01 Ordinary Shares for £1.70 per share to settle SAYE share options.

	Share premium £000
At 1 January 2019	36,791
Issue of share capital	28,909
Cost of share issue	(945)
At 31 December 2019	64,755
Issue of share capital	36
At 31 December 2020	**64,791**

28 Share-based payment arrangements

At 31 December 2020, the Group had the following share-based payment arrangements.

Issued in 2018

Company Share Option Plan ("CSOP")

On 4 April 2018, the Group established the Company Share Option Plan ("CSOP"), which granted share options to certain key management personnel. The CSOP consists of two parts, and all options are to be settled by physical delivery of shares. The terms and conditions of the share option schemes granted during the year ended 31 December 2020 are as follows:

Scheme	Grant date	Number of awards	Vesting conditions	Contractual life of options
Approved Scheme	4 April 2018	229,412	3 years' service from grant date	3 to 10 years
Unapproved Scheme	4 April 2018	250,000	3 years' service from grant date	3 to 10 years

During 2020 20,588 awards (2019: 5,882) under the above plans have been forfeited as a result of bad leavers.

Management Incentive Plan ("MIP")

On 4 April 2018, the Group established the Management Incentive Plan ("MIP") which invited eligible employees to subscribe for A shares in the Company's subsidiary Simply Biz Limited. Participants have a put option to sell the A shares to the Company in exchange for Ordinary Shares of the Company at any point between three years and ten years after the date of grant, provided that they are still employed (or treated as a good leaver) and an equity hurdle is met. The terms and conditions of the MIP are as follows:

Grant date	Number of awards	Vesting conditions	Contractual life of options
4 April 2018	2,250	3 years' service from grant date, subject to an equity hurdle of 40% above the IPO market capitalisation	3 to 10 years

If the equity hurdle is achieved, the A Shares are convertible into shares of the Company, based on 15% of the value created above 105% of the market capitalisation at IPO, subject to a 7.35% dilution cap on the issued share capital at the point of vesting.

As at 31 December 2020, the MIP did not exceed the required equity hurdle.

The fair value of services received in return for share options granted is based on the fair value of the share options granted. The fair value has been measured using the Black Scholes model for the unapproved CSOP scheme, and the Monte Carlo model for the MIP and approved CSOP scheme.

28 Share-based payment arrangements continued

Issued in 2018 continued

Management Incentive Plan ("MIP") continued

The following inputs were used in the measurement of the fair values at grant date of the share-based payment plans:

	Approved CSOP	Unapproved CSOP	Management Incentive Plan
Fair value at grant date	£0.64	£1.59	£290.22
Share price at grant date	£1.70	£1.70	£1.70
Exercise price	£1.70	£0.01	£1.785
Expected volatility	40%	40%	40%
Option life (expected weighted average life)	3	3	3
Expected dividends	2%	2%	2%
Risk-free interest rate (based on government bonds)	1.2%	1.2%	1.2%

Save As You Earn ("SAYE") scheme

On 24 September 2018, the Group established the Save As You Earn ("SAYE") scheme and invited all Group employees to enter into a three-year savings contract linked to an option which entitles them to acquire Ordinary Shares in the Company.

537,618 options were issued under the scheme, with an exercise price of £1.70. The fair value of the shares at date of grant (1 December 2018) was £0.70, and the share options are due to vest in three years. Expected volatility, dividends and the risk-free interest rate have been assumed to be consistent with the approved CSOP scheme noted above.

During 2020, 82,114 awards (2019: 119,631) have been forfeited as a result of bad leavers. Assumed retention on the remaining options at 31 December 2020 is 85% (2019: 90%).

Issued in 2019

Company Share Option Plan ("CSOP")

In September 2019, the Group established an additional Company Share Option Plan ("CSOP"), which granted share options to certain key management personnel. The CSOP consists of two parts, and all options are to be settled by physical delivery of shares. The terms and conditions of the share option schemes granted during the year ended 31 December 2020 are as follows:

Scheme	Grant date	Number of awards	Vesting conditions	Contractual life of options
Approved Scheme	26 September 2019	15,564	3 years' service from grant date	3 to 10 years
Unapproved Scheme	26 September 2019	61,302	2 years' service from grant date	3 to 10 years
Unapproved Scheme	26 September 2019	90,791	1.52 years' service from grant date	3 to 10 years

The fair value of services received in return for share options granted is based on the fair value of the share options granted. The fair value has been measured using the Black Scholes model.

The following inputs were used in the measurement of the fair values at grant date of the share-based payment plans:

	Approved CSOP	Unapproved CSOP	Unapproved CSOP
Fair value at grant date	£0.54	£1.84	£1.86
Share price at grant date	£1.93	£1.93	£1.93
Exercise price	£1.93	£0.01	£0.01
Expected volatility	45%	45%	45%
Option life (expected weighted average life)	3	2	1.52
Expected dividends	2%	2%	2%
Risk-free interest rate (based on government bonds)	1.3%	1.3%	1.3%

Save As You Earn ("SAYE") scheme

On 26 September 2019, the Group established the 2019 Save As You Earn ("SAYE") scheme and invited all Group employees to enter into a three-year savings contract linked to an option which entitles them to acquire Ordinary Shares in the Company.

375,145 options were issued under the scheme, with an exercise price of £1.58. The fair value of the shares at date of grant (1 December 2019) was £0.70, and the share options are due to vest in three years. Expected volatility, dividends and the risk-free interest rate have been assumed to be consistent with the approved CSOP scheme noted above.

During 2020, 45,393 (2019: 3,417) shares have been forfeited as a result of bad leavers. An assumed retention rate of 75% (2019: 85%) has been applied at 31 December 2020 on the outstanding shares.

28 Share-based payment arrangements continued

Issued in 2020

Company Share Option Plan ("CSOP")

In March 2020, the Group established an additional Company Share Option Plan ("CSOP"), which granted share options to certain key management personnel. The scheme is an unapproved scheme with a grant date of 11 March 2020. 218,084 options were issued. The terms and conditions of the share option schemes granted during the year ended 31 December 2020 are as follows:

	Unapproved CSOP
Fair value at grant date	£1.77
Share price at grant date	£1.82
Exercise price	£0.01
Expected volatility	45%
Option life (expected weighted average life)	1.07
Expected dividends	2%
Risk-free interest rate (based on government bonds)	1.0%

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

	Number of options 31 December 2020	Weighted average exercise price 31 December 2020 £	Number of options 31 December 2019	Weighted average exercise price 31 December 2019 £
Outstanding at 1 January	1,450,680	1.20	1,036,808	1.29
Forfeited during the year	(148,095)	1.66	(128,930)	1.70
Exercised during the year	(25,238)	1.70	—	—
Granted during the year	218,084	0.01	542,802	1.15
Outstanding at 31 December	1,495,431	0.98	1,450,680	1.20
Exercisable at 31 December	—	—	—	—

The options outstanding at 31 December 2020 had an exercise price in the range of £0.01 to £1.93 (2019: £0.01 to £1.93) and a weighted average contractual life of 2.6 years (2019: 2.9 years).

29 Other reserves

Group	Merger reserve £000	Capital redemption reserve £000	Share option reserve £000	Total £000
At 1 January 2019	(61,395)	8	320	(61,067)
Share option charge	—	—	512	512
Issue of shares	7,449	—	—	7,449
Deferred tax on share options exceeding profit and loss charge	—	—	1,113	1,113
At 31 December 2019	(53,946)	8	1,945	(51,993)
Share option charge	—	—	914	914
Deferred tax on share options exceeding profit and loss charge	—	—	(1,113)	(1,113)
At 31 December 2020	**(53,946)**	**8**	**1,746**	**(52,192)**

During 2019 the Company issued 4,160,600 new £0.01 Ordinary Shares at a value of £1.80 per share in part consideration for the acquisition of Defaqto, resulting in an increase in the merger reserve. The opening balance on the merger reserve arose during the introduction of a new ultimate parent company in 2015.

Other reserves in the Company relate to the share option reserve, as per the Group above, and the merger reserve, which includes the impact of shares issued in the Defaqto acquisition, described above.

30 Notes to the cash flow statement

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
Cash flow from operating activities		
Profit after taxation	8,164	8,626
Add back:		
Finance income	(57)	(123)
Finance cost	1,251	1,281
Taxation	2,027	2,218
	11,385	12,002
Adjustments for:		
Amortisation of development expenditure and software (note 18)	1,147	633
Depreciation of lease asset	826	707
Depreciation of property, plant and equipment	290	286
Amortisation of other intangible assets	1,988	1,579
Share option charge	914	512
Research and development expenditure credit	(20)	—
Operating cash flow before movements in working capital	16,530	15,719
Decrease/(increase) in receivables	1,601	(282)
Increase/(decrease) in trade and other payables	937	(3,290)
Cash generated from operations	19,068	12,147
Income taxes paid	(2,378)	(1,759)
Net cash generated from operating activities	16,690	10,388

31 Government grants

The Group has received financial assistance during the year ended 31 December 2020 from the Coronavirus Job Retention Scheme. These amounts have been recognised in profit and loss and the Group has elected to offset the grants received against the relevant payroll expense. £1,239,000 of grants were received in the year and there are no unfulfilled conditions and other contingencies attached to the amounts received.

32 Contingencies

All companies marked with an asterisk in note 19 are party to a cross-guarantee against the bank loans of Fintel plc. The total amount outstanding at 31 December 2020 amounted to £30,000,000 (2019: £38,000,000).

33 Pension and other post-retirement benefit commitments

Defined contribution

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund. At the year end, pension contributions of £216,665 (2019: £228,747) were outstanding.

34 Related parties

Group

Identity of related parties with which the Group has transacted

Kirklees Stadium Development Limited (a company in which Ken Davy is a Director): Kirklees Stadium Development Limited was paid £108,000 (2019: £146,000) by the Group for property costs and other services during the year. Amounts owed at the year end totalled £nil (2019: £1,000).

Portus Felix Limited (a company in which Ken Davy is a connected party): Portus Felix Limited was paid £208,000 (2019: £195,000) by the Group for property costs and other services during the year. Amounts owed at the year end totalled £nil (2019: £39,000). The Group expect to pay a further £2,810,000 in property costs.

During the year the Group paid Park Place Corporate Finance Limited an amount of £22,000 (2019: £232,000) in respect of consultancy services. Tim Clarke is a shareholder and Director of Park Place Corporate Finance Limited and also a Director of the Company. Amounts owed at the year end totalled £nil (2019: £nil).

34 Related parties continued

Group continued

Identity of related parties with which the Group has transacted continued

During the year the Group paid Instinctif Partners (a company which Tim Trotter is a Non-Executive Director) £43,000 (2019: £22,000) in relation to financial PR services for the Group. Amounts owed at the year end totalled £nil (2019: £nil).

During 2019 the Group paid remuneration of £88,000 and compensation of £388,000 for loss of office to Sarah Turvey, who is the daughter of Ken Davy and former Chief Operating Officer. No similar remuneration amounts were paid to Sarah Turvey during 2020.

Sandringham Financial Partners Limited (a company in which Neil Stevens and Matt Timmins are shareholders; Clear View Assured Limited is also a shareholder in Sandringham Financial Partners Limited, in which various Directors of the Company are shareholders, and in which both Sarah Turvey and Neil Stevens are Directors): The Group paid expenses on behalf of Sandringham Financial Partners Limited of £4,000 (2019: £13,000). The balance at the end of the year held in debtors was £nil (2019: £2,000).

During the year, Huddersfield Giants Limited (a company in which Ken Davy is a Director) was paid £4,000 (2019: £4,000) by the Group for corporate hospitality. Amounts owed at the year end totalled £nil (2019: £nil).

During the year the Group paid Karen Commons (who is the daughter of Ken Davy) £nil (2019: £2,000) in relation to the provision of physical therapy sessions for employees. Amounts owed at the year end totalled £nil (2019: £nil).

During the year the Group paid Sarah Turvey £5,000 (2019: £5,000) in relation to the hire of storage space. Amounts owed at the year end totalled £nil (2019: £nil).

Transactions with key management personnel

During the year Gary Hughes, Matt Timmins and Neil Stevens paid £4,000 in total to sponsor a member of the Glasgow Rocks Basketball Team (an organisation part-owned by Gary Hughes). The sponsorship was gifted for £nil to Compliance First, one of the Group's trading brands.

Dividends to Directors

	Group 31 December 2020 £000	Group 31 December 2019 £000
KE Davy	870	1,056
ML Timmins	49	58
NM Stevens	47	57
	966	1,171

35 Ultimate controlling party

The Directors believe that there is no ultimate controlling party of the Group.

Notice of annual general meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the capital of the Company, please forward this document to the purchaser or transferee, or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Fintel plc (the Company)

(incorporated in England & Wales with registered number 09619906)

Directors:
Ken Davy (Chairman)
Neil Stevens (Joint CEO)
Matt Timmins (Joint CEO)
Gareth Hague (Group Finance Director)
Imogen Joss (Non-Executive Director)
Tim Clarke (Independent Non-Executive Director)
Gary Hughes (Senior Independent Non-Executive Director)

Registered Office:
Fintel plc
Fintel House
St Andrew's Road
Huddersfield
HD1 6NA

15 March 2021

To the holders of Ordinary Shares

Dear Shareholder

2021 Annual General Meeting

On behalf of the directors of Fintel plc (together the 'Directors'), it gives me great pleasure to invite you to attend the Annual General Meeting (or 'AGM') of Fintel plc (the 'Company') which will be held at Fintel House, St Andrew's Road, Huddersfield, HD1 6NA on Wednesday 28 April 2021 at 12:30 pm (UK time).

A copy of the 2020 Annual Report and Accounts is enclosed. This contains the financial statements for the year ended 31 December 2020. A resolution relating to the financial statements is included in the ordinary business of the AGM.

The formal Notice of AGM is set out on pages 81 to 83 of this document, detailing the resolutions that the shareholders are being asked to vote on with explanatory notes of the business to be conducted at the AGM on pages 86 to 88. Details of the arrangements for the AGM are set out on pages 84 to 85.

As the lockdown measures remain in place at the time of writing this report, the Board has reluctantly accepted that it is likely that the forthcoming AGM will be subject to limited attendance with only Directors, or their proxies expected to be present in person. If the situation changes, the Company will update shareholders via a Regulatory Information Service and on the Company's website. Shareholders are therefore encouraged to send in their votes using their proxy cards and submit any questions to us at companysecretary@fintelplc.com. To view a copy of any of the following documents prior to the meeting please email the Company Secretary at companysecretary@fintelplc.com:

i. the executive directors' service agreements;

ii. the non-executive directors' letters of appointment; and

iii. the lease of Fintel House (formerly St Andrew's House), St. Andrews Road, Huddersfield, England, HD1 6NA.

Action to be taken

Shareholders are requested to ensure any proxy appointments are received by close of business on 26 April 2021. The easiest way to do this is to visit www.signalshares.com and following the instructions for electronic submission. Alternative methods are outlined in paragraphs 2 and 3 of the section marked "Important Information" within the notice.

Recommendation

The Directors believe that the resolutions set out in the Notice of AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend that shareholders vote in favour of all of the resolutions to be proposed at the AGM. The Directors who own Ordinary Shares intend to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully

KEN DAVY
Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the annual general meeting of the Company will be held on 28 April 2021 at 12:30 pm at Fintel House, St Andrew's Road, Huddersfield, HD1 6NA for the transaction of the following business:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Financial statement and reports

1 To receive the annual accounts and reports of the Company and the auditor's report on those accounts and reports for the financial year ended 31 December 2020.

Final dividend

2 To declare a final dividend upon the recommendation of the directors for the year ended 31 December 2020 of 2.85 pence per ordinary share payable on 7 May 2021 to shareholders on the register at the close of business on 9 April 2021, with an ex-dividend date of 8 April 2021.

Directors (re-)election

3 To re-elect Ken Davy as a director of the Company.

4 To re-elect Neil Stevens as a director of the Company.

5 To re-elect Matt Timmins as a director of the Company.

6 To re-elect Tim Clarke as a director of the Company.

7 To re-elect Gary Hughes as a director of the Company.

8 To elect David Thompson as a director of the Company.

9 To elect Imogen Joss as a director of the Company.

Auditor's re-appointment and remuneration

10 To re-appoint KPMG as auditors of the Company to hold office from the conclusion of this meeting until such time that the appointment of a successor auditor is approved by the Directors.

11 To authorise the directors to fix the remuneration of the auditors of the Company.

Authority for political donations or expenditure

12 That, in accordance with section 366 of the Companies Act 2006, to authorise the Company, and all companies that are its subsidiaries at any time during the period for which this resolution has effect, to make political donations and incur political expenditure (as such terms are defined in sections 364 and 365 of the Companies Act 2006) not exceeding £25,000 in aggregate during the period beginning with the date of the passing of this resolution to the conclusion of the next annual general meeting of the Company.

Ratification of a substantial property transaction

13 THAT, the lease of Fintel House, St. Andrews Road, Huddersfield, England, HD1 6NA dated 13 February 2020 between (1) SimplyBiz Limited and (2) Portus Felix Limited, is approved for the purposes of section 190 of the Companies Act 2006 (being a property transaction requiring shareholders' approval).

14 THAT, entry into the lease of Fintel House, St. Andrews Road, Huddersfield, England, HD1 6NA, a property which is indirectly owned by Ken Davy by virtue of him holding 8% of Portus Felix Limited, in accordance with the provisions of section 190 of the Companies Act 2006 be approved and ratified in accordance with the provisions of section 239 Companies Act 2006.

ORDINARY RESOLUTIONS continued

Authority to allot shares

15 That, subject to and in accordance with Article 12 of the Articles of Association of the Company and pursuant to section 551 of the Companies Act 2006, the directors be generally and unconditionally authorised to allot shares in the Company and grant rights to subscribe or to convert any security into shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company as follows:

15.1 up to an aggregate nominal amount of £322,688.71 in connection with the allotment of equity securities (within the meaning of section 560 of the Companies Act 2006) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly may be) to the respective number of ordinary shares deemed to be held by them;

15.2 otherwise than pursuant to paragraphs 15.1 above up to an aggregate nominal amount of £322,688.71 to such persons at such times and generally on such terms and conditions as the directors may determine.

provided that this authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in general meeting) at the end of the next annual general meeting of the Company, or, if earlier, at the close of business on the date 15 months after the date of this resolution, save that the Company may during the relevant period make any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority expires, and the directors may allot shares or grant such rights in pursuance of such offer or agreement as if the authority had not expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot shares in the Company and to grant rights to subscribe for or to convert any security into, shares in the Company but is without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

To consider and, if thought fit, approve the following resolutions that will be proposed as special resolutions:

Disapplication of pre-emption rights

16 That if resolution 15 is passed, the directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:

16.1 any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever;

16.2 the allotment of equity securities or sale of treasury shares, otherwise than pursuant to paragraph 16.1 of this resolution, up to a nominal amount of £48,403.31,

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on the date 15 months after the date of this resolution, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Additional disapplication of pre-emption rights — acquisitions

17 That if resolution 15 is passed, the directors be empowered in addition to any authority granted under resolution 16 pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be;

17.1 limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £48,403.31, and

SPECIAL RESOLUTIONS continued

Additional disapplication of pre-emption rights — acquisitions continued

17.2 used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on the date 15 months after the date of this resolution, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

Additional disapplication of pre-emption rights — Members Share Option Plan

18 That if resolution 15 is passed, the directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to up to an aggregate nominal amount of £33,695 in connection with the issue of ordinary shares pursuant to the Company's member share option plan, Such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on the date 15 months after the date of this resolution, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Purchase of own shares

19 That the Company is generally and unconditionally authorised for the purpose of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of that Act) of ordinary shares of £0.01 each in the capital of the Company, on such terms and in such manner as the directors may from time to time determine, provided that:

19.1 the maximum aggregate number of ordinary shares that may be purchased is £96,806.61, representing approximately 10% of the Company's issued ordinary share capital (excluding treasury shares) as at 22 March 2021 (the latest practicable date prior to publication of this notice);

19.2 the minimum price (excluding expenses) that may be paid for each ordinary share is £0.01;

19.3 the maximum price (excluding expenses) that may be paid for each ordinary share is the higher of:

19.3.1 105% of the middle market quotation of an ordinary share in the capital of the Company for the five business days immediately prior to the day the purchase is made, the middle market quotation being derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;

19.3.2 the value of an ordinary share in the capital of the Company, being the higher of:

(a) the price of the last independent trade in such a share on the trading venue where the purchase is carried out; and

(b) the highest current independent bid for such a share on such trading venue;

19.4 this authority shall expire on the earlier of the conclusion of the Company's next annual general meeting after the passing of this resolution and the date 15 months after the date of this resolution; and

19.5 the Company may make a contract for the purchase of ordinary shares under this authority before it expires, notwithstanding that such contract will, or might, have its terms executed wholly or partly after this authority expires, and the Company may make a purchase pursuant to such a contract after the expiry of this authority.

Shorter notice of general meetings

20 That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

VICKY WILLIAMS
Company Secretary

IMPORTANT INFORMATION:

The following notes explain your general rights as a shareholder and your right to attend and vote at the AGM or to appoint someone else to vote on your behalf.

1 A shareholder entitled to attend and vote at the AGM may appoint a proxy or proxies (who need not be a shareholder or shareholders of the Company) to exercise all or any of that shareholder's rights to attend, speak and vote at the AGM. Where more than one proxy is appointed, each proxy must be appointed for different shares.

2 Proxies may only be appointed by:

2.1 making an online proxy appointment by going to www.signalshares.com and following the instructions for electronic submission provided there; or

2.2 requesting a paper proxy card from the Company's registrars, Link Group on 0871 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside of the UK, or email Link at enquiries@linkgroup.co.uk

2.2.1 Forms must be completed and returned together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, to the Company's registrars, Link Group, at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL by post or (during normal business hours only) by hand; or

2.2.2 having an appropriate CREST message transmitted through the CREST electronic proxy appointment service as described in the CREST Manual (a CREST proxy instruction). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf (see note 3 below). Please refer to the CREST Manual on the Euroclear website (www.euroclear.com/CREST) for further information.

To be effective the form of proxy or other instrument appointing a proxy must be received by the Company's registrars, or received electronically via www.signalshares.com or, in the case of shares held through CREST, via the Euroclear website, in each case not later than 10:30 am on 26 April 2021.

Completion of a proxy form, online proxy appointment or CREST proxy instruction will not prevent a shareholder from attending and voting in person at the meeting.

3 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) by using the procedures described in the CREST Manual (available at www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time for receipt of proxy appointments set out in paragraph 2 above. For this purpose, the time of the receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated by other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service providers, to procedure that his CREST sponsor or voting service provider takes) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(3)(a) of the Uncertificated Securities Regulations 2001.

IMPORTANT INFORMATION: continued

4 Only those shareholders included in the register of members of the Company close of business on 26 April 2021 or, if the meeting is adjourned, on the day which is two working days before the time for holding the adjourned meeting, will be entitled to attend and to vote at the AGM in respect of the number of shares registered in their names at that time. Changes to entries on the share register after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the meeting.

5 To view a copy of the service contracts of the executive directors and the letters of appointment of the non-executive directors prior to the meeting please email the Company Secretary at companysecretary@fintelplc.com.

6 The electronic addresses provided in this notice are provided solely for the purpose of enabling shareholders to register the appointment of a proxy or proxies for the meeting or to submit their voting directions electronically. You may not use any electronic address provided in this notice to communicate with the Company for any purposes other than those expressly stated.

7 A copy of this notice, and other information required by the Companies Act 2006, can be found at www.wearefintel.com/investors/aim-rule-26/.

8 Shareholders have a right to ask questions relating to the business being dealt with at the meeting. The Company must answer such questions unless:

8.1 answering would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;

8.2 the answer has already been given on a website in the form of an answer to a question; or

8.3 it is undesirable in the interests of the Company or the good order of the meeting that the question be answered,

any such questions must be emailed to the Company Secretary at companysecretary@fintelplc.com in advance of the meeting.

9 As at 22 March 2021, being the last business day prior to publication of this AGM notice, the Company's issued share capital comprised 96,806,612 ordinary shares of £0.01 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 22 March 2021 is 96,806,612.

10 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

11 If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (i.e. the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore, any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.

12 Voting on all resolutions at the AGM will be conducted by a poll rather than a show of hands. As soon as practicable following the AGM, the results of the voting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company's website at www.wearefintel.com/investors/aim-rule-26/.

Notice of annual general meeting continued

EXPLANATORY NOTES TO THE RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING

The resolutions to be proposed at the AGM of the Company to be held on 28 April 2021 at 12:30 pm are set out in the notice of AGM. The following notes provide an explanation to the resolutions being put to shareholders.

ORDINARY RESOLUTIONS

Resolutions 1 to 15 are proposed as ordinary resolutions. These resolutions will be passed if more than 50% of the votes are cast in favour of them.

Resolution 1 — Financial Statements and Accounts

The directors are required to present to shareholders at the AGM the reports of the directors and auditors and the audited accounts of the Company for the year ended 31 December 2020.

Resolution 2 — Final Dividend

A final dividend can only be paid after the shareholders have approved it at a general meeting. The directors are recommending a final dividend of 2.85 pence per ordinary share, payable to shareholders on the register at the close of business on 9 April 2021, with an ex-dividend date of 8 April 2021. If approved, the final dividend will be paid on 7 May 2021.

Resolutions 3 to 9 — Election of directors

Each of Ken Davy, Neil Stevens, Matt Timmins, Tim Clarke and Gary Hughes are being put forward for re-election. Having considered the performance of and contribution made by each of the directors and following performance evaluation for those directors standing for re-election, the board of directors is satisfied that, and the Chairman confirms that, the performance of each director continues to be effective and to demonstrate commitment to the role and as such the board recommends their re-election.

Each of David Thompson and Imogen Joss are standing for election the board of directors is satisfied that, and the Chairman confirms that, these individuals will be effective directors and will demonstrate commitment to the role and as such the board recommends their election.

A biography of each director appears on page 26 and 27 of the Company's annual report and on the Company's website at www wearefintel.com/who-we-are/about-us. David Thompson's biography is available by request from companysecretary@fintelplc.com.

Resolution 10 — Re-appointment of auditors

The Companies Act 2006 requires that an auditor be appointed at each general meeting at which accounts are laid to hold office until the next such meeting. The appointment of KPMG as auditors of the company terminates at the conclusion of the AGM. Whilst KPMG have been proposed for re-appointment as auditors by shareholders at the annual general meeting on 28 April 2021, the Company intends to hold a tender for audit services prior to the end of the financial year to 31 December 2021. KPMG has indicated that, following a commercial decision, it will not participate in this process and will therefore tender its resignation at the time the new auditor has been selected. KPMG confirms there are no circumstances in connection with its planned resignation that should be brought to the attention of the members or creditors of the Company. The directors will appoint a successor auditor in due course and said appointment shall be put to resolution of the shareholders at the AGM 2022.

Resolution 11 — Authorising and fixing the remuneration of the auditors

It is normal practice for shareholders to resolve at the annual general meeting that the directors decide on the level of remuneration of the auditors for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the auditors for the next financial year will be disclosed in the next audited accounts of the Company.

Resolution 12 — Political donations

The Companies Act 2006 requires political donations and expenditure to be authorised by shareholders by ordinary resolution. Whilst it is not the intention of the Company to make any direct political donations or incur any political expenditure, the statutory provisions are very broadly drafted and may catch activities such as functions to which politicians are invited, or may extend to bodies concerned with policy review, law reform and representation of the business community that the Company and its subsidiaries might wish to support. For this reason, the Company is asking its shareholders to authorise any donations and expenditure that may fall within the remit of the Companies Act 2006, up to an aggregate amount of £25,000 for the Company and its subsidiary companies. This resolution, if passed, will renew the directors' authority until next year's annual general meeting (when the directors intend to renew this authority).

ORDINARY RESOLUTIONS continued

Resolution 13 and 14 — Ratification of a substantial property transaction

In 2020 Simply Biz Limited entered into a lease in respect of Fintel House, St. Andrews Road, Huddersfield, England, HD1 6NA. Ken Davy owns 8% Portus Felix Limited. The board is seeking approval of the lease (which for the purposes of section 190 Companies Act 2006 would be classed as a substantial property transaction) and ratification for entry into this lease. Having considered the terms of the lease the board (including the independent Directors) confirmed that the lease is in the best interests of the Company and therefore recommends that the lease is approved and that entry into the lease be ratified.

Resolution 15 — Authority to allot shares

The directors may only allot shares or grant rights over shares if authorised to do so by shareholders.

The Investment Association (IA) guidelines on authority to allot shares state that IA members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one-third of a company's issued share capital. In addition they will treat as routine a request for authority to allot shares representing an additional one third of the company's issued share capital provided that it is only used to allot shares for the purpose of a fully pre-emptive rights issue.

Accordingly, resolution 15, if passed, would authorise the directors under section 551 of the CA 2006 to allot new shares or grant rights to subscribe for, or convert any security into, new shares (subject to shareholders' pre-emption rights) up to a maximum nominal amount of £645,377.42, representing the IA guideline limit of approximately 66% of the Company's issued ordinary share capital as at 22 March 2021 (being the latest practicable date prior to the publication of this document).

Resolution 15.1 would give the directors authority to allot new shares or grant rights to subscribe for, or convert any security into, new shares, up to an aggregate nominal value of £322,688.71, representing approximately one third of the Company's existing issued share capital in connection with a rights issue in favour of ordinary shareholders.

Resolution 15.2, if passed, would give the directors general authority to allot new shares or grant rights to subscribe for, or convert any security into, new shares, up to an aggregate nominal value of £322,688.71, representing approximately one third of the Company's existing issued share capital. As resolution 15.2 imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with resolution 15.1 so as to enable the whole two-thirds to be used in connection with a rights issue. Where the usage of this authority exceeds one-third of the issued share capital, the directors intend to follow best practice as regards its use.

The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company and the date 15 months after the date of the resolution.

Passing this resolution will ensure that the directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

The Company does not at present hold any shares in treasury.

SPECIAL RESOLUTIONS

Resolutions 16 to 20 are special resolutions. These resolutions will be passed if not less than 75% of the votes are cast in favour of them.

Resolution 16 — Disapplication of pre-emption rights, Resolution 17 — Additional disapplication of pre-emption rights for acquisitions and Resolution 18 — Disapplication of pre-emption rights in connection with the existing member share option plan

The CA 2006 requires that if the Company issues new shares or grants rights to subscribe for or to convert any security into shares for cash, or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. In certain circumstances, it may be in the best interests of the Company to allot shares (or to grant rights over shares) for cash without first offering them proportionately to existing shareholders. This cannot be done under the CA 2006 unless the shareholders have first waived their pre-emption rights. In accordance with investor guidelines, therefore, approval is sought by the directors to issue a limited number of ordinary shares for cash without first offering them to existing shareholders.

Resolution 16 contains a two-part disapplication of pre-emption rights which seeks the directors' authority to issue equity securities of the Company for cash without application of pre-emption rights pursuant to section 561 of the CA 2006.

Resolution 16 seeks a disapplication of the pre-emption rights on a rights issue or other pre-emptive offer so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which might arise, for example, with overseas shareholders.

Other than in connection with a rights or other pre-emptive issue, scrip dividend or other similar issue, the authority contained in resolution 16 would be limited to a maximum nominal amount of £48,403.31 (which would equate to 4,840,331 ordinary shares of £0.01 each), representing approximately 5% of the Company's issued share capital as at 22 March 2021, being the latest practicable date prior to the publication of this AGM notice.

SPECIAL RESOLUTIONS continued

Resolution 16 — Disapplication of pre-emption rights, Resolution 17 — Additional disapplication of pre-emption rights for acquisitions and Resolution 18 — Disapplication of pre-emption rights in connection with the existing member share option plan continued

Resolution 17 is an optional disapplication of pre-emption rights limited to an additional 5% of issued ordinary share capital to be used for transactions which the directors determine to be an acquisition or specified capital investment. The authority contained in the resolution would be limited to a maximum nominal amount of £48,403.31 (which would equate to 4,840,331 ordinary shares of £0.01 each), representing approximately 5% of the Company's issued share capital as at 22 March 2021, being the latest practicable date prior to the publication of this AGM notice.

Resolution 18 seeks a disapplication of the pre-emption rights in connection with the issue of ordinary shares pursuant to the Company's existing member share option plan. The authority contained in the resolution would be limited to £33,695 being the amount of shares remaining to be issued pursuant to the terms of the member share option plan.

If passed, these authorities will expire at the same time as the authority to allot shares given pursuant to resolution 15 (Authority to allot shares).

Save for share issues in respect of employee share schemes and any share dividend alternatives, the directors have no current plans to utilise either of the authorities sought by resolutions 15 (Authority to allot shares), 16 (Disapplication of pre-emption rights), 17 (Additional disapplication of pre-emption rights – acquisitions) and 18 ((Disapplication of pre-emption rights – Member Share Option Plan), although they consider their renewal appropriate in order to retain maximum flexibility to take advantage of business opportunities as they arise.

Resolution 19 — Purchase of own shares

This resolution seeks authority for the Company to make market purchases of its own shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase a maximum of £96,806.61 of its ordinary shares in aggregate, representing approximately 10% of the Company's issued ordinary share capital (excluding treasury shares) as at 22 March 2021 (the latest practicable date prior to publication of this notice).

The resolution specifies the minimum and maximum prices (excluding expenses) that may be paid for any ordinary shares purchased under this authority. This authority will expire on the earlier of the conclusion of the Company's next annual general meeting and the date 15 months after the date of this resolution.

The directors have no present intention of exercising the authority granted by this resolution, but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The directors will only exercise the authority granted by this resolution to purchase ordinary shares if they consider that such purchases will be in the best interests of shareholders generally and will result in an increase in earnings per ordinary share for the remaining shareholders.

Resolution 20 — Shorter notice of general meetings

Under the Companies Act 2006 all listed company general meetings must be held on at least 21 days' notice, but companies may reduce this period to 14 days (other than for annual general meetings) if shareholders agree to a shorter notice period and the Company has met certain requirements for electronic voting. Resolution 17 is therefore being proposed as a special resolution to renew the authority granted by shareholders at last year's annual general meeting which permitted the Company to call general meetings, other than AGMs, on 14 clear days' notice. If the resolution is passed, the authority conferred would be effective until the Company's next annual general meeting, when it is intended that the approval be renewed.

The directors confirm that the shorter notice period would not be used as a matter of routine. The directors will consider on a case-by-case basis whether the use of the flexibility offered by the shorter notice period is merited taking into account all the circumstances, including whether the business of the meeting is time sensitive. An electronic voting facility will be made available to all shareholders for any meeting held on 14 clear days' notice.

Company information

FINANCIAL CALENDAR

Trading statement for 6 months ending 30 June 2021	To be published July 2021
Interim results for 6 months ending 30 June 2021	To be published September 2021
Full year results for 12 months ending 31 December 2021	To be published March 2022
Annual report publication	To be published March 2022

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Fintel plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Galerie Satin, an FSC® certified material.

This document was printed by Park Communications using its environmental print technology, which minimises the impact of printing on the environment. Vegetable-based inks have been used and 99% of dry waste is diverted from landfill. Both the printer and the paper mill are registered to ISO 14001.

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Fintel plc Annual report and accounts 2020