

# FINANCIAL STRENGTH OF THE TRANSACT PLATFORM

**Transact – the leading UK platform for advisers and their clients\* – is committed to providing stable, reliable service over the long term.**

**Transact’s financial strength is underpinned by the financial strength of our holding company, IntegraFin Holdings plc (IHP) or the “Group”. IHP is publicly listed.**

**Our clients can trust that their investments are held by a resilient, growing Group of companies.**

## MEASURING FINANCIAL STRENGTH

We use four metrics to measure our financial strength: profitability, capital resources and management, liquidity, and debt.

- We are highly profitable, with a track record of good performance: in the 2024 financial year, the Group increased revenue by 7% and underlying profit before tax by 12%.
- We hold over £400m of Group capital.
- Our Group entities hold over £200m of high liquidity cash and UK gilts.
- Our Group is debt free.

For more information on our profitability, capital resources, liquidity, and debt, please see below.

## PROFITABILITY

Maintaining robust financial performance is key to ensuring the long-term viability of the Transact platform. In this respect, the Group has a long history of delivering long-term sustainable profitability.

In the 2024 financial year, the Group continued its track record of performance – increasing revenue by 7% and underlying Profit Before Tax by 12%. The Transact platform is responsible for over 97% of both figures. The Transact pattern of price reductions, with 18 price reductions in 17 years, reflects the strength of the business and the Group’s willingness to share the results of its success with clients and advisers.

## GROUP CAPITAL RESOURCES AND CAPITAL MANAGEMENT

The Group offers a wide range of tax wrappers via three regulated entities:

- A UK investment firm (IFAL),
- A UK life insurance company (ILUK), and
- An Isle of Man life insurance company (ILInt)

The entities that underpin the Transact platform have no debt and hold over £400m of regulatory capital. This is 35% more than the regulations require.

This excess ensures sufficient capital is available to fund ongoing trading and future growth. Cash and investments in short-dated gilts are held to cover regulatory capital requirements and tax liabilities.

## OUR GROUP REGULATORY CAPITAL OVER THE PAST TWO YEARS

### Regulatory capital as at 30 September 2024

	Regulatory capital requirements £m	Regulatory capital resources £m	Regulatory cover %
<b>IFAL</b>	60.4	74.8	124%
<b>ILUK</b>	229.5	313.1	136%
<b>ILInt</b>	26.4	49.0	186%

### Regulatory capital as at 30 September 2023

	Regulatory capital requirements £m	Regulatory capital resources £m	Regulatory cover %
<b>IFAL</b>	33.3	44.4	133%
<b>ILUK</b>	215.8	269.2	125%
<b>ILInt</b>	27.1	46.6	172%

## REQUIREMENTS

The regulatory capital requirements and resources in ILUK and ILInt are calculated by reference to economic capital-based regimes, which are Solvency II for ILUK and the Isle of Man Risk-Based Capital Regime for ILInt.

IFAL is subject to Investment Firms Prudential Regime (IFPR) regulatory capital and liquidity rules. These prudential rules require the calculation of capital requirements reflecting “K factor” requirements that cover potential harms arising from business activities. The K factors are calculated using formulae for assets and cash under administration and client orders handled.

IFAL’s Public Disclosure document contains further details and can be found on our website at: <https://www.integrafin.co.uk/legal-and-regulatory-information/>.

## LIQUIDITY

The Group holds liquid assets in the form of cash and cash equivalents and UK Government securities (‘gilts’), the majority of which are available with immediate effect. The main uses of liquid assets include:

- Holdings for regulatory and operational purposes, including risk appetite; and
- Coverage of policyholder returns in the life insurance businesses.

In the last two financial years the Group held over £200m of high liquidity cash and UK gilts, with an excess of £32 million and £45 million for last year and the year before respectively.

	FY24 £m	FY23 £m
Total Group consolidated cash and UK gilts	242.1	200.3
Less: Group cash and UK gilts held for regulatory and operational purposes	(118.3)	(89.6)
Less: foreseeable dividend	(23.9)	(23.2)
Less: coverage of policyholder returns in the life insurance companies	(67.8)	(42.4)
Surplus cash and UK gilts	32.1	45.1

More information can be found in notes 3, 4, 19 and 21 to the financial statements, which are available on the website: [Final Results](#).

## DEBT-FREE BALANCE SHEET

The expansion of the Transact platform has been driven by gradual, organic growth, rather than through acquisition or borrowing. Consequently, the IHP Group has been able to maintain a debt-free balance sheet and does not need to service any onerous debt obligations. Some private equity acquired competitor platforms are funded by debt or other funding for their business models. While we have no debt this is not the case for all platforms.