RNS Number : 5117H
Personal Group Holdings PLC
20 March 2024

A number of non-material typographical changes have been made to the consolidated income statement, balance sheet and cash flow in the 'Preliminary Results and Final Dividend' announcement released on 19th March at 7:00am under RNS No 3227H.

The changes are identified with an asterisk (*).

The full amended text is shown below.

Personal Group Holdings plc
("the Company", "Personal Group" or "Group")

Preliminary Results and Final Dividend

Personal Group Holdings Plc (AIM: PGH), the workforce benefits and services provider, is pleased to announce its preliminary results for the year ended 31 December 2023.

The Group has successfully delivered growth across its KPIs, increasing total client numbers and reporting double digit growth in key areas of recurring revenue. The strength of trading in the second half of the year underpins the Board's confidence that Personal Group is firmly back on a growth trajectory and set to benefit from the investments that have been made in the offering and team.

Financial Highlights

- Revenue grew across all areas outside of Let's Connect:
  - Group revenue* stable at £49.7m (2022 restated: £49.8m)
  - Revenue, excluding Let's Connect, increased 17% to £38.6m (2022: £33.0m)
  - Recurring revenue streams increased 14% to £38.3m (£2022: £33.5m)
- Adjusted EBITDA** increased 35% to £8.1m, in line with market expectations (2022: £6.0m)
- Adjusted profit before tax of £5.3m (2022 adjusted***: £3.8m profit excluding goodwill impairment)
- Adjusted Basic EPS of 13.8p (2022 adjusted***: 10.6p, statutory loss of 23.2p)
- Strong balance sheet and liquidity, with cash and deposits at year end of £20.1m (2022: £18.7m) and no debt
- Final dividend for 2023 of 5.85p per share, making a full year dividend for 2023 of 11.7p (2022: 10.6p) payable on 8 May 2024.

**   Revenue restated in prior year as a result of the Group's transition to IFRS 17 and to present voucher income as agency rather than principal.*
*** Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation of intangible assets, goodwill impairment, share-based payment expenses, corporate acquisition costs and restructuring costs.*
**** Excluding goodwill impairment of Let's Connect of £10.6m.*

Operational Highlights

- **First phase of the strategy review and market mapping complete**
  - The strategy review provided a clear sense of positioning, vision and areas to focus to maximise shareholder value.
  - Applicability and resonance of the Group's insurance products and its sizable addressable market have been validated and industries with the biggest opportunities confirmed.
  - Restructuring of senior leadership team has been undertaken to optimise processes and drive performance.
- **A record year for insurance sales**
  - Record new annualised insurance sales of £11.8m for the year (2022: £9.5m)
  - Annualised premium income (API) increased 13% to £31.6m (31 Dec 2022: £28.0m) supported by strong retention levels.
  - Claims ratios remained stable at 27.0% (2022: 27.7%), as the NHS continues to address long waiting lists.
- **Benefits platform providing increased contribution to the Group.**
  - Continued growth across both enterprise clients on Hapi and SMEs utilising Sage Employee Benefits, ending the year with Annual Recurring Revenue ("ARR") of £2.5m and £3.7m respectively (31 Dec 2022: £2.0m and £3.0m).
  - 31 new Benefits clients won in 2023 (2022: 22).
  - Hapi 2.0, the next generation of our employee benefits platform, was launched internally in H2 2023 and externally in early 2024. Initial feedback from customers has been positive.

Confident Outlook

- Confidence across the Group is high for 2024 and the Group is well-placed to deliver further growth with an increasing proportion of recurring revenue and a strong balance sheet.
- Trading has continued positively into the first quarter, reinforced by the renewal of the contract with Royal Mail Group, securing the provision of insurance cash plans via face-to-face road show visits, and the signing of a significant contract for the Pay & Reward division with a global airline.
- Initial results of an external review into the Group's product and markets have emphasised the ongoing relevance of our insurance products in a sizeable addressable market and highlights clear options for strategic growth available.

Paula Constant, Chief Executive of Personal Group, commented:

"This has been a year of positive change for Personal Group. The financial performance delivered in the year speaks to the quality of both the offerings and the team, whose efforts have driven a record year of insurance sales and increased overall levels of recurring revenue, despite a testing trading environment.

The first phase of the strategy review is now complete. The results of this have confirmed the strong alignment of the Group's product offering with existing and target markets but importantly outlined the scale of the opportunity for Personal Group. We are now focusing on building the detail of our strategy and product portfolio, in addition to simplifying the business' processes to deliver more effectively for customers, capitalise on our opportunities and maximise value for shareholders. I look forward to updating the market on our progress in due course."

Personal Group Holdings will be hosting a webinar for private investors on Friday 22 March at 13.00. If you would like to register for the webinar, please follow this link: https://www.investormeetcompany.com/personal-group-holdings-plc/register-investor

-ENDS-

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under The Market Abuse Regulation (EU 596/2014) pursuant to the Market Abuse (Amendment) (EU Exit) Regulations 2018. Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

For more information please contact:

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Notes to Editors

Personal Group Holdings Plc (AIM: PGH) is a workforce benefits and services provider. The Group enables employers across the UK to improve employee engagement and support their people's physical, mental, social and financial wellbeing. Its vision is to create a brighter future for the UK workforce.

Personal Group provides health insurance services and a broad range of employee benefits, engagement, and wellbeing products. Its offerings can also be delivered through its proprietary app, Hapi.

Group Clients include Airbus, Barchester Healthcare, Merseyrail, Randstad, Royal Mail Group, The Royal Mint, the Sandwell & Birmingham NHS Trust, Stagecoach Group plc, and The University of York.

For further information on the Group please see www.personalgroup.com

CHAIR'S STATEMENT

It has been a year of continued progress for Personal Group, in which we have performed well amidst a challenging market backdrop, delivering on our financial objectives while responding positively to a change in leadership.

HR teams across the UK have had to focus their efforts on dealing with the well-documented market challenges, such as the decreased availability of labour, and increased employment costs. We have nonetheless continued to win customers at a steady rate, supporting the wellbeing of key workers across the country, a historically underserviced and growing segment of the UK workforce.

I would like to thank the team for their continued hard work, with this year's results again reflecting the quality and diligence of our people. It is clear to me that we have a solid foundation on which to grow, bolstered by increasing levels of revenue visibility for 2024 and beyond. I look forward to the future with confidence.

A year of change

In August 2023 we welcomed Paula Constant to the Group as Chief Executive. Paula has brought with her strong strategic acumen and over 20 years of telecoms, banking, and outsourcing experience, largely gathered from multinational organisations. Paula has had a significant impact on the business in a short period of time, reinforcing my faith in her to take Personal Group to its next stage of growth.

Under Paula's leadership, a review of the Group's strategy is being undertaken to identify the greatest opportunities to improve profitability and drive longer term growth in the business. A detailed analysis of our market has validated the strength of our insurance offering and the sectors we are best placed to target. Paula has simplified the organisational structure of the Group, with the senior leadership team refreshed by key hires, and introduced new operational KPIs.

With the transitionary period now complete and Paula fully integrated into day-to-day operations of the business, we look forward to the Group further progressing under her leadership.

I would like to take this opportunity to thank Deborah Frost for her contribution to Personal Group, first as a Non-Executive Director, and then as Chief Executive. Deborah's stewardship in successfully navigating the business through the pandemic was excellent, and it was her work which laid the foundations for Personal Group to emerge as a stronger business and to return to a growth trajectory. On behalf of the Board, we wish her all the very best with her future endeavours.

Solid delivery

We have successfully delivered across our KPIs in the year, achieving increased revenue and EBITDA in line with market expectations in all segments except Let's Connect. We are strengthened by a robust balance sheet and our highest ever rate of recurring revenue, providing high levels of visibility for 2024 and beyond.

Following the reinvigoration of the insurance division in 2022, I am particularly pleased with the ongoing momentum gathered across our core Affordable Insurance offering in 2023, which has gone from strength to strength in the year, driven by a record level of new sales and high retention rates amongst existing customers.

Benefits platform revenue has also continued to grow, delivering increased levels of annual recurring revenue ("ARR"). We are pleased to have successfully launched the next generation of our platform, Hapi 2.0, internally. The initial external launch and migration began in early 2024.

The contribution from Pay & Reward and Other Owned Benefits remained steady throughout the year, in line with the Board's expectations.

ESG

A key feature of Personal Group's business is the caring attitude towards people and communities. This is reflected not only in our aim to improve employee engagement and support people's physical, mental, social and financial wellbeing, but also in how the business is run.

We remain committed as a Board to maintaining high standards of ESG and during the year we made progress in executing against our ESG strategy. We have worked on reducing our carbon footprint, continued to foster an inclusive, progressive and diverse working environment, while ensuring a robust corporate governance framework.

We have incorporated ESG success metrics into our Executive remuneration for the last few years and from 2024 will be extending this to the group bonus scheme, applicable to all employees, to encourage greater engagement across the entire business.

Dividend

I am pleased to announce that the Board has recommended a final ordinary dividend of 5.85 pence per share which will be paid on 8 May 2024 to members on the register as at 2 April 2024 (the record date). Shares will be marked ex-dividend on 28 March 2024. This makes a total ordinary dividend for 2023 of 11.7 pence per share, representing an increase of 10% year on year. The Board has considered the level of dividend in the context of the growth seen during the year and continued confidence in the Group's business model and prospects.

Outlook

This has been a year of positive change for Personal Group. We have continued to gather momentum, focusing on enhancing the quality and organisational structure of the business to exploit our opportunity.

With the first phase of the review of Group's product and markets complete, we have a clearer sense of our positioning, vision and areas of focus, leaving us well-placed to maximise value for shareholders. I look forward to the results of the second phase of the review and am excited by the opportunity that lies ahead.

Martin Bennett

Non-Executive Chair
19 March 2024

GROUP CHIEF EXECUTIVE'S STATEMENT

I am pleased to report on this positive set of results delivering strong growth across the core Affordable Insurance and Benefits Platform offerings. The financial performance speaks to the quality of both the offerings and the team, whose efforts have driven a record year of insurance sales, and an increased proportion of recurring revenue, despite a testing trading environment.

Since assuming the role of Chief Executive, I have focused on invigorating the energy of the organisation, our customer focus, and the pace at which we deliver our services, preparing the business to build upon its solid foundations. As part of this process, I initiated an external review of the Group's product offering, market position and market opportunity to inform the strategic direction of the business and position Personal Group to drive sustainable long-term growth.

The first phase of this review, which concluded in December 2023, included market mapping and insight into the size and segmentation of the UK employee benefits landscape applicable to our core insurance offering. This confirmed the ongoing relevance of our insurance products and emphasised the industries which present the largest opportunities to the Group. The market mapping also confirmed that Personal Group has a clear competitive advantage through being the only 'face to face' sales-led offering in its area of the market and that there remains a large addressable market opportunity. Informed by the research, we have developed a targeted marketing strategy aimed at specific customer types and the most appropriate market segments for our insurance offerings being, in the first instance, construction, transport and production.

The second phase of the review is nearing completion and aims to determine the Group's opportunity in benefits platform provision and assess success factors across various market segments.

The initial results of the review have highlighted that the Group has a strong, repeatable business and currently operates in the right segments with clear options for strategic growth available. As the detailed outputs of the review are digested and assessed, they will serve to inform and provide focus to our detailed Group strategy update later in the year, which will also consider the most effective way to optimise performance in the Pay and Reward and Let's Connect segments.

Sales and Operational Review

We made good progress in the year under each of our three strategic areas of focus: driving our Affordable Insurance sales, transforming reward & benefits offerings, and accelerating our SME offering.

Affordable Insurance

Key achievements in 2023 were the improved delivery and productivity of the face-to-face sales team, helping to deliver a record year for new annualised insurance sales of £11.8m, up 24% from 2022. We continued to reduce the time spent working away from home for the sales team, to improve their wellbeing, and implemented new tools and operational enhancements to support FCA Customer Duty and ensure better outcomes for customers. £6.8m of claims payments were made to support policyholders in 2023 (2022: £6.4m) and customer retention rates remained high, demonstrating the value employees place on the Group's product offering. As a result of all the above, the insurance book increased from £28.0m in 2022 to £31.6m in Annualised Premium Income at the end of 2023, setting us up for further success in 2024.

In 2024 we will increase our focus on specific sectors identified as offering the largest opportunities for growth, continue to review our insurance product offering, progress opportunities to partner with other benefits providers to promote their benefits platforms alongside the sale of insurance and explore opportunities to partner with third party providers to offer alternative products that would benefit our growing client base.

Transforming Reward & Benefits

The internal launch of the next generation of our benefits platform, Hapi 2.0, and subsequent launch with our first new client in January 2024 marks a key highlight for the year. The new and enhanced platform, now with improved Reward and Recognition functionality, navigation, search capabilities, onboarding processes, and modularisation for tiered and self-serve offers, sets the service up well for sustained success. We won 31 new Benefits clients in 2023 (2022: 22) which helped to drive growth in Hapi related annual recurring revenue up 29% to £2.5m (2022: £2.0m). We also secured a place on the Crown Commercial Framework, providing a new avenue for customer acquisition in 2024.

Our focus for 2024 will be the external launch of the full functionality of Hapi 2.0 alongside existing client migration. In addition, we anticipate that the development of a new 'career pathways' product, for the Pay & Reward segment, will provide an opportunity for upsell to our customer base and increase the attractiveness of our offering.

Contribution from Pay & Reward, comprising Innecto and QCG, remained steady in the year with ARR of £0.6m, despite market demand being affected by wider economic challenges. The combination of the Innecto and QCG consultancies was completed in the year, aiming to create operational efficiencies.

As previously announced, Other Owned Benefits (Let's Connect) had a challenging period with the cessation of a long-term scheme with a major client in March 2023. Notwithstanding, the business performed resiliently and performance was in line with management's expectations.

SME Offering

We have an SME version of Hapi pre-populated, with key benefits, taken to market through our partnership with Sage as Sage Employee Benefits (SEB) which now serves around 4,100 clients and 60,000 employees. Areas of focus in 2023 were the improved onboarding journey for both account managed and digitally onboarded clients, the improvement of the end-to-end customer journey to improve lifetime value of clients going onto the platform, and the preparation for launch of SEB 2.0 in 2024. SEB 2.0 is based on Hapi 2.0 and aims to increase the attractiveness of the offering and accelerate uptake, with a new look and feel. We saw steady growth in SEB annual recurring revenues in the year, to £3.7m (2022: £3.0m).

In early 2024, we began working alongside Sage to migrate all clients onto SEB 2.0 with this expected to conclude in the coming months. We are continuing to develop a premium version of SEB with a wider range of benefits to attract businesses at the larger end of the SME market and progress conversations with prospective partners in different markets to increase the number of routes to the SME market.

of routes to the SME market.

Organisational change

In addition to the Group's market review, we conducted a review of our internal operations with a view to enhancing visibility across the organisation on delivery against our strategy and to drive profitability. We are in the process of implementing more granular operational KPIs, particularly across our sales processes and pipeline, giving greater visibility into the effectiveness of our lead conversions and opportunities for process improvements.

As part of our preparation for growth at pace, we have streamlined the operations of the business, creating a new senior leadership structure. This has included the hiring, post-period end, of a new Chief Operations Officer, with our current Chief Operations Officer moving into a tech transformation role, and a new interim Chief People Officer, to ensure the success of this vital piece of our strategy.

Future outlook

I am confident that Personal Group has solid foundations from which we can deliver an accelerated rate of growth. Increasing recurring revenues, a compelling offering, powerful partnerships, and a well-run and expert sales team that delivers strong results, combine to create an exciting opportunity for future growth.

Through completion of the market review, we have validated the strength of our insurance offering and benefits platform while gaining a fuller understanding of the large market opportunity that exists for Personal Group. Equipped with the insight gleaned from the market review and the strengthened team, I am excited by the fantastic opportunities that lie ahead for Personal Group.

Paula Constant

Group Chief Executive
19 March 2024

CHIEF FINANCIAL OFFICER'S STATEMENT

Group revenue

Group revenue remained stable at £49.7m (2022: £49.8m). With the exception of the Other Owned Benefits division (Let's Connect), growth was seen across all areas of the business.

Our insurance segment continues to grow as anticipated and as at 31 December 2023 we had an insurance book of £31.6m Annualised Premium Income (API) (2022 £28.0m), the majority of which is renewable on weekly or monthly rolling contracts.

External income from our internally developed Benefits Platform increased by 28% year on year, following on from the 45% growth seen in the previous year. This growth is a result of our continued expansion into the SME sector through our partnership with Sage and growth in our own HAPI platform sales.

Growth in our Pay and Reward segment was moderate as economic challenges continued to impact the market demand. ARR across all the Group's digital platforms now stands at £6.1m (2022: £5.6m).

Sales of technology and other products to employers as part of their employee benefit provision through the Group's subsidiary, Let's Connect, fell 34% year on year, in line with expectation, reflecting the loss of its largest customer in Q1.

Other income increased to £1.0m (2022: £0.4m) as a result of increased rates on the cash deposits held by the insurance subsidiaries.

The Group continues to benefit from an increasing proportion of recurring revenues, providing high levels of visibility for 2024.

Adjusted EBITDA*

Adjusted EBITDA* for the year increased to £8.1m (2022: £6.0m) reflecting the growth in contribution from the higher margin insurance segment, in particular where underwriting profit continued to grow in line with the size of the insurance book.

The increased EBITDA in the period has been driven by continued contribution growth (up 33% to £3.8m) from the Benefits Platform, both through new Hapi platform sales and the growth in size of the white labelled Sage Employee Benefits. We saw a stable contribution from our Pay & Reward businesses, however, the contribution from Other Owned Benefits fell in line with the loss in top line revenue (down 56% to 0.4m). Outside of the core segments, Group administration and central costs increased year on year reflecting the investment in the Group's sales and marketing function alongside inflationary staff and operating expenses.

We believe adjusted EBITDA* remains the most appropriate measure of performance for our business, reflecting the underlying profitability of the business and removing the impact of one-off items arising from past acquisitions on the Group's reported profit before tax. The definition remains unchanged from previous years.

Accounting changes

IFRS 17

During the year the Group adopted IFRS 17 which has had a significant impact on the accounting for insurance contracts but mainly from a presentation perspective as can be seen in Note 5.

Restated Revenue

Furthermore, the Group reviewed the application of its accounting policy and now treats all vouchers as agency, showing only

Furthermore, the Group reviewed the application of its accounting policy and now treats all vouchers as agency, showing only the voucher margin and not income as previously stated, this is discussed further in Note 5.

Profit before and after tax

Statutory profit before tax for the year was £5.3m (2022: loss of £6.8m), which includes £0.6m of costs associated with restructuring the organisation following the change of Chief Executive. The 2022 loss before tax reflected a £10.6m impairment charge relating to the goodwill balance associated with Let's Connect, excluding the non-cash impairment charge the profit before tax for 2022 was £3.8m. The tax charge for the year was £1.0m (2022: £0.5m), and profit after tax for the year £4.3m (2022: loss of £7.3m).

EPS

Resulting earnings per share were 13.8p (2022: loss of 23.2p), excluding the non-cash impairment charge, earnings per share would have been 10.6p in 2022. The calculation is detailed in Note 3.

Dividend

The Board has recommended a final ordinary dividend of 5.85 pence per share, making a total ordinary dividend for 2023 of 11.7 pence per share. This will be paid on 8 May 2024 to members on the register as at 2 April 2024 (the record date). Shares will be marked ex-dividend on 28 March 2024. The Board has considered the level of dividend in the context of the underlying growth seen during the year and the continued confidence in the Group's business model and prospects.

Balance sheet

As at 31 December 2023 the Group's balance sheet remained strong, with cash and deposits of £20.1m (2022: £18.7m) and no debt. The Group's main underwriting subsidiary, Personal Assurance Plc (PA), continues to maintain a conservative solvency ratio of 272% (unaudited), with a £6.8m surplus over its Solvency Capital Requirement of £4.0m. The Company has consistently maintained a prudent position in relation to its Solvency II requirement. Personal Assurance (Guernsey) Limited, the Group's subsidiary which underwrites the death benefit policy, also maintained a healthy solvency ratio of 484% (unaudited), under its own regime.

Segmental results

Segment	**Description**	**Income Streams**
Affordable Insurance	A directly owned benefit, provision of simple insurance products underwritten by Group subsidiaries.	Insurance income.
Benefits	Provision of a benefits platform to employers both directly and through channel partners, currently Sage for our SME solution.	Digital platform subscriptions, commissions from third party benefits which sit on the platform.
Pay & Reward	Provision of a full reward service to employers through the Group's pay and reward subsidiaries, Innecto and QCG.	Consultancy, industry surveys and digital platform subscriptions.
Other Owned Benefits	Other directly owned benefits: sale of technology and other products to employers as part of their employee benefit provision through the Group's subsidiary, Let's Connect.	Retail sales directly to employers, commission received from the introduction of third-party finance.

The Group reports across four core segments as detailed in the table above.

For each of the segments, the adjusted EBITDA contribution comprises the gross profit of that segment together with any costs associated directly with the operation of that segment. Sales and marketing costs and other central costs that are not directly attributable to a segment, such as Finance, HR, depreciation, amortisation and Group Board expenses are not allocated to a segment and are shown separately as 'Group Admin and Central Costs'.

We believe this presentation provides transparency to enable the impact of top line growth on adjusted EBITDA contribution for each area of the business to be better understood.

Affordable insurance

Insurance revenue from the Group's core insurance business increased by £3.3m to £28.7m (2022: £25.4m).

The continued opportunity for our face-to-face sales activity, driven by employers wishing to engage more effectively with their workforce, has provided the opportunity to continue to expand the sales team and grow the insurance book back to levels seen pre-COVID. A record £11.8m of new insurance sales were written during the year (2022: £9.5m) which, together with continued strong retention rates for existing policyholders, meant that as at 31 December 2023 we have £31.6m (2022: £28.0m) of Annualised Premium Income, the majority of which is renewable on weekly or monthly rolling contracts.

Claims ratios remained stable at 27.0% (2022: 27.7%), as the NHS continued to address long waiting lists.

Adjusted EBITDA contribution of £11.2m for the year (2022: £9.0m), reflects the increased underlying profit arising from increased revenue alongside the stabilisation of acquisition costs.

Benefits platform

Revenue from digital platform subscriptions and commissions from third party benefit suppliers which sit on the benefits platform rose 28% to £6.7m in 2023 (2022: £5.2m).

Subscriptions for our enterprise platform, Hapi, continued to grow throughout 2023 with ARR on the platform increasing to £2.5m (2022: £2.0m) during the course of the year with 31 new clients onboarded.

Our expansion into the SME market also continued to grow, with Sage Employee Benefits, the Group's SME proposition being taken to market through its partner Sage. ARR increased to £3.7m at the end of the year (2022: £3.0m).

As at 31 December 2023 the ARR from Benefits Platform subscriptions across all channels stood at £6.1m (2022: £5.0m).

Adjusted EBITDA contribution of £3.8m (2022: £2.9m) increased in line with increased revenue but also demonstrates the increased margins available as this area of the business scales up.

Pay & Reward

Whilst economic challenges impacted market demand, revenue from consultancy income and digital subscription income from proprietary HR solutions increased to £2.2m (2022: £2.0m). This reflected a full year's contribution from Innecto and QCG. ARR from digital products remained stable and stood at £0.6m on 31 December (2022: £0.5m)

Towards the end of the year, the operational capabilities of the two entities were merged which is anticipated to lead to efficiencies and improved productivity in 2024.

Other owned benefits: Let's Connect

Let's Connect, which provides technology and other products to employers as part of their employee benefit provision, saw revenues decrease to £11.1m (2022: £16.8m) following the loss of a key client in March 2023. Increased average order values, alongside margin improvements and operational downsizing helped mitigate the impact on its EBITDA contribution of £0.4m (2022: £0.7m).

Group administration expenses and central costs

Group administration and central costs of £8.7m (2022: £7.1m) reflects an investment in the year building the sales and marketing function to accommodate for future growth alongside inflationary cost increases associated with utilities, Group insurances and other services. Expenses for the year also reflect additional costs in relation to the change of Chief Executive during the year.

Sarah Mace

Chief Financial Officer
19 March 2024

Consolidated Income Statement

	2023 £'000	Restated^ 2022 £'000
Insurance Revenue	**28,708**	25,406
Employee benefits and services	**20,012**	24,016
Other income	**139**	237
Investment income	**807**	145
Revenue	**49,666**	49,804
Insurance service expenses	**(14,593)**	(13,675)
Net expenses from reinsurance contracts	**(135)**	(*)(85)
Employee benefits and services expenses	**(18,077)**	(*)(22,602)
Other expenses	**(94)**	(33)
Group administration expenses	**(11,266)**	(8,973)
Share based payments expenses	**(169)**	(291)

Unrealised gain / (loss) on equity investments	**181**	(210)
Charitable donations	**(100)**	(100)
Expenses	**(44,253)**	(*)(45,969)
Results of operating activities	**(*)5,413**	3,835
Finance costs	**(79)**	(20)
Goodwill impairment	**-**	(10,575)
Profit / (Loss) before tax	**5,334**	(6,760)
Taxation	**(1,010)**	(493)
Profit / (Loss) for the year	**4,324**	(7,253)

The profit for the year is attributable to equity holders of Personal Group Holdings Plc.

Earnings per share	Pence	Pence
Basic	13.8	(23.2)
Diluted	13.5	(23.2)

There is no other comprehensive income for the year and, as a result, no statement of comprehensive income has been produced.

^With the transition to IFRS 17, certain comparative amounts have been re-stated as if the standard had always been in effect. Further detail can be found in Note 25 of the Annual Report.

In addition, a change to the presentation of voucher income, to present this net as agency income rather than principal as has previously been done, has resulted in further restatement of the prior year comparatives. Further detail can be found in Note 2.22 of the Annual Report.

Both restatements are presentational and neither has impacted the overall result for the prior year as shown in Note 5 below.

Consolidated Balance Sheet at 31 December 2023

	2023 £'000	Restated 2022 £'000	Restated 2021 £'000
ASSETS			
Non-current assets			
Goodwill	**2,684**	2,684	12,696
Intangible assets	**3,654**	2,384	1,637
Property, plant and equipment	**5,020**	4,639	5,033
	11,358	9,707	19,366
Current assets			
Financial assets	**4,035**	3,031	2,596
Trade and other receivables	**16,015**	13,471	12,370
Reinsurance assets	**(2)**	42	108
Inventories - Finished Goods	**272**	726	898
Cash and cash equivalents	**17,497**	16,958	20,291
Current tax assets	**12**	229	310
	37,829	34,457	(*)36,573
Total assets	**49,187**	44,164	(*)55,939

Consolidated Balance Sheet at 31 December 2023

	2023 £'000	Restated 2022 £'000	Restated 2021 £'000
EQUITY			

Equity attributable to equity holders of Personal Group Holdings Plc			
Share capital	**1,562**	1,562	1,561
Share premium	**1,134**	1,134	1,134
Share based payment reserve	**513**	367	158
Capital redemption reserve	**24**	24	24
Other reserve	**(36)**	(55)	(32)
Profit and loss reserve	**28,798**	27,946	38,436
Total equity	**31,995**	30,978	41,281
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	**790**	681	478
Trade and other payables	**567**	130	(*)567
Current liabilities			
Trade and other payables	**15,100**	11,293	(*)12,189
Insurance contract liabilities	**735**	1,082	1,422
	15,835	12,375	(*)13,611
Total liabilities	**17,192**	13,186	(*)14,656
Total equity and liabilities	**49,187**	44,164	(*)55,937

Consolidated Statement of Changes in Equity for the year ended 31 December 2023

Equity attributable to equity holders of Personal Group Holdings Plc

	Share capital	Share Premium	Capital redemption reserve	Share Based Payment reserve	Other reserve	Profit and loss reserve	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2023	1,562	1,134	24	367	(55)	27,946	30,978
Dividends	-	-	-	-	-	(3,482)	(3,482)
Employee share-based compensation	-	-	-	146	-	23	169
Proceeds of SIP* share sales	-	-	-	-	-	22	22
Cost of SIP shares sold	-	-	-	-	35	(35)	-
Cost of SIP shares purchased	-	-	-	-	(16)	-	(16)
Transactions with owners	-	-	-	146	19	(3,472)	(3,307)
Profit for the year	-	-	-	-	-	4,324	4,324
Balance as at 31 Dec 2023	**1,562**	**1,134**	**24**	**513**	**(36)**	**28,798**	**31,995**

*PG Share Ownership Plan (SIP)

Consolidated Statement of Changes in Equity for the year ended 31 December 2022

Equity attributable to equity holders of Personal Group Holdings Plc

	Share capital	**Share Premium**	**Capital redemption reserve**	**Share Based Payment reserve**	**Other reserve**	**Profit and loss reserve**	**Total equity**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance as at 1 January 2022	1,561	1,134	24	158	(32)	38,436	41,281
Dividends	-	-	-	-	-	(3,310)	(3,310)
Employee share-based compensation	-	-	-	271	-	20	291
Proceeds of SIP* share sales	-	-	-	-	-	11	11
Cost of SIP shares sold	-	-	-	-	20	(20)	-
Cost of SIP shares purchased	-	-	-	-	(43)	-	(43)
LTIP Options Exercised	1	-	-	(62)	-	62	1
Transactions with owners	1	-	-	209	(23)	(3,237)	(3,050)
Profit for the year	-	-	-	-	-	(7,253)	(7,253)
Balance as at 31 Dec 2022	**1,562**	**1,134**	**24**	**367**	**(55)**	**27,946**	**30,978**

*PG Share Ownership Plan (SIP)

Consolidated Cash Flow Statement

	2023	2022
	£'000	£'000
Net cash from operating activities (see next page)	**6,678**	3,240

Investing activities		
Additions to property, plant and equipment	**(157)**	(332)
Additions to intangible assets	**(2,040)**	(1,196)
Proceeds from disposal of property, plant and equipment	**78**	39
Proceeds from disposal of financial assets	**-**	871
Purchase of financial assets	**(823)**	(1,517)
Interest received	**807**	145
Acquisition of QCG	**-**	(812)
Net cash used in investing activities	**(2,135)**	(2,802)
Financing activities		
Proceed from issue of shares	**-**	1
Interest paid	**(1)**	-
Purchase of own shares by the SIP	**(16)**	(54)
Proceeds from disposal of own shares by the SIP	**25**	21
Payment of lease liabilities	**(530)**	(429)
Dividends paid	**(3,482)**	(3,310)
Net cash used in financing activities	**(4,004)**	(3,771)
Net change in cash and cash equivalents	**(*)539**	(3,333)
Cash and cash equivalents, beginning of year	**16,958**	20,291
Cash and cash equivalents, end of year	**17,497**	16,958

	2023 £'000	2022 £'000
Operating activities		
Profit after tax	**4,324**	(7,253)
Adjustments for		
Depreciation	**1,135**	1,052
Amortisation of intangible assets	**770**	786
Goodwill impairment	**-**	10,575
Profit on disposal of property, plant and equipment	**8**	12
Realised and unrealised investment (gains)/losses	**(181)**	210
Interest received	**(807)**	(145)
Interest charge	**79**	20
Share-based payment expenses	**169**	291
Taxation expense recognised in income statement	**1,010**	493
Changes in working capital		
Trade and other receivables	**(2,569)**	(1,637)
Trade and other payables	**3,247**	(1,486)
Insurance liabilities	**(275)**	476
Inventories	**454**	172
Taxes paid	**(686)**	(326)
Net cash from operating activities	**6,678**	3,240

Consolidated Cash Flow Statement

Notes to the Financial Statements

1 Segment analysis

The segments used by management to review the operations of the business are disclosed below.

1) Affordable Insurance

Personal Assurance Plc (PA), a subsidiary within the Group, is a PRA regulated general insurance Company and is authorised to transact accident and sickness insurance. It was established in 1984 and has been underwriting business since 1985. In 1997 Personal Group Holdings Plc (PGH) was created and became the ultimate parent undertaking of the Group.

Personal Assurance (Guernsey) Limited (PAGL), a subsidiary within the Group, is regulated by the Guernsey Financial Services Commission and has been underwriting death benefit policies since March 2015.

This operating segment derives the majority of its revenue from the underwriting by PA and PAGL of insurance policies that have been bought by employees of host companies via bespoke benefit programmes. During 2020 PAGL began underwriting employee default insurance for a proportion of LC customers.

2) Other Owned Benefits

This segment constitutes any goods or services in the benefits platform supply chain which are owned by the Group. At present this is made up of technology salary sacrifice business trading as PG Let's Connect, purchased by the Group in 2014.

3) Benefits and Platform

Revenue this segment relates to the annual subscription income and other related income arising from the licensing of Hapi, the Group's employee benefit platform. This includes sales to both the large corporate and SME sectors. This segment includes agency revenue generated from the resale of vouchers.

4) Pay and Reward

Pay and Reward refers to the trade of the Group's pay and reward consultancy Company Innecto, purchased in 2019, and QCG, purchased in 2022. Revenue in this segment relates to consultancy, surveys, and licence income derived from selling digital platform subscription.

5) Other

The other operating segment consists exclusively of revenue generated by Berkely Morgan Group (BMG) and its subsidiary undertakings along with any investment and rental income obtained by the Group.

Segment analysis

	20 £'0
Revenue by segment	
Affordable Insurance	**28,7**
Other Owned Benefits	**11,0**
Benefits Platform	**9,4**
Benefits Platform - Group Elimination	**(2,76**
Pay & Reward	**2,2**
Other Income	
Other	**1**
Investment income	**8**
Group Revenue	**49,6**
Adjusted EBITDA* contribution by segment	
Affordable Insurance	**11,2**
Other Owned Benefits	**3**
Benefits Platform	**3,8**
Pay & Reward	**4**
Other	**1,0**
Group admin and central costs	**(8,73**
Charitable Donations	**(10**
Adjusted EBITDA*	**8,1**
Interest	**(7**
Depreciation	**(1,13**
Amortisation	**(77**
Goodwill impairment	
Corporate acquisition costs	
Restructuring costs	**(63**
Share Based Payments Expenses	**(16**
Profit before tax	**5,3**

2. Taxation comprises United Kingdom corporation tax of £1,010,000 (2022: £493,000) including a deferred tax charge of £109,000 (2022: £122,000)

3. The basic and diluted earnings per share are based on profit for the financial year of £4,234,000 (2022: £7,253,000 loss) and on 31,226,632 basic (2022: 31,214,765) and 31,977,184 diluted (2022: 31,969,989) ordinary shares, the weighted average number of shares in issue during the year.

4. The total dividend paid in the year was £3,482,000 (2022: £3,310,000)

This preliminary statement has been extracted from the 2023 audited financial statements that will be posted to shareholders in due course. The statutory accounts for each of the two years to 31 December 2023 and 31 December 2022 received audit reports, which were unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006. The 2022 accounts have been filed with the Registrar of Companies but the 2023 accounts are not yet filed.

5. Prior Year Restatement

As a result of the implementation of IFRS 17, it is necessary to restate the 2022 results as though these policies have always been in effect. Furthermore, 2022 has been restated to reflect a change in accounting for voucher resale income to appropriately reflect the agency nature of the underlying contracts. Below is a reconciliation from the 2022 income statement as presented in the prior year signed financial statements to the income statement presented as a comparative in these financial statements.

IFRS 17

The transition to IFRS 17 has resulted in a small change in presentation on the balance sheet, particularly around unpaid premiums. These were previously presented as insurance receivables but, per IFRS 17, these now offset the liability for remaining coverage within insurance contract liabilities. See Note 23 in the Annual Report for further details.

Voucher Income reclassification

Over the course of the year, management has undertaken a review of a number of the underlying arrangements that it has with its suppliers, considering in particular (in accordance with IFRS 15) the steps taken to fulfil the purchasing of the vouchers (which are increasingly electronic in nature), the process by which the vouchers are transferred from supplier to customer and whether the Group has control of those vouchers prior to the transfer of those vouchers from the supplier to the customer.

The key indicators of control such as inventory risk, control over pricing and responsibility over the acceptability of the goods being fulfilled, have been considered during this review and, while the Group does have limited control over pricing, the risks associated with the other indicators reside with suppliers. As a result, management considers the substance of these relationships as that of an agency, with only the resulting transaction fee and/or margin recognised in the income statement for the period.

Management also concluded that PMS was acting as an agent in the prior year and have therefore restated the comparatives to appropriately reflect the agency nature of the underlying contracts. As a consequence, 2022 income has been netted to represent agency income and this figure has been included within employee benefits and services income. Expenses related to this agency service (largely card transaction costs) have been allocated to employee service expenses accordingly.

Below is a reconciliation from the 2022 income statement as presented in the prior year signed financial statements to the income statement presented as a comparative in these financial statements.

	Previous 2022 £'000	**IFRS 17 Reclass £'000**	**Voucher Income £'000**	**Rounding £'000**	**Restated 2022 £'000**
Gross premiums written	25,660	(25,660)	-	-	-
Outward reinsurance premiums	(138)	138	-	-	-
Change in unearned premiums	(254)	254	-	-	-
Change in reinsurers' share of unearned premiums	(11)	11	-	-	-
Earned premiums net of reinsurance	**25,257**	(25,257)	-	-	**-**
Insurance Revenue	-	25,406	-	-	25,406
Employee benefits and services income	23,627	-	387	2	24,016
Voucher resale income	37,389	-	(37,389)	-	-
Other income	237	-	-	-	237
Investment income	145	-	-	-	145
Group revenue	**86,655**	149	(37,002)	2	**49,804**
Claims incurred	**(6,990)**	6,990	-	-	**-**
Insurance operating expenses	**(6,619)**	6,619	-	-	**-**
Insurance Service Expenses	**-**	(13,674)	-	(1)	**(13,675)**
Net expenses from reinsurance contracts held	**-**	(84)	-	(1)	**(85)**
Employee benefits and services expenses	**(22,236)**	-	(366)	-	**(22,602)**
Voucher resale expenses	**(37,368)**	-	37,368	-	**-**
Other expenses	**(33)**	-	-	-	**(33)**
Group administration expenses	**(8,973)**	-	-	-	**(8,973)**
Share based payments expenses	**(291)**	-	-	-	**(291)**
Unrealised losses on equity investments	**(210)**	-	-	-	**(210)**
Charitable donations	**(100)**	-	-	-	**(100)**
Group expenses	**(82,820)**	(149)	37,002	(2)	**(45,969)**

Operating profit	**3,835**	-	-	-	**3,835**
Finance costs	**(20)**	-	-	-	**(20)**
Goodwill impairment	**(10,575)**	-	-	-	**(10,575)**
Loss before tax	**(6,760)**	-	-	-	**(6,760)**
Taxation	**(493)**	-	-	-	**(493)**
Loss for the year	**(7,253)**	-	-	-	**(7,253)**

Alternative Performance Measures

The Group uses an alternative (non-Generally Accepted Accounting Practice (non-GAAP)) financial measure when reviewing performance of the Group, evidenced by executive management bonus performance targets being measured in relation to Adjusted EBITDA*. As such, this measure is important and should be considered alongside the IFRS measures.

For Adjusted EBITDA*, the adjustments taken into account in addition to the standard IFRS measure, are those that are considered to be non-underlying to trading activities and which are significant in size. For example, goodwill impairment is a non-cash item relevant to historic acquisitions; share-based payments are a non-cash item which have historically been significant in size, can fluctuate based on judgemental assumptions made about share price and have no impact on total equity; corporate acquisition costs and restructuring costs are both one-off items which are not incurred in the regular course of business.

This methodology is unchanged from previous years.

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