RNS Number : 0897M
Tatton Asset Management PLC
10 June 2025

10 June 2025

Tatton Asset Management Plc
("TAM plc", the "Group" or the "Company")
AIM: TAM

AUDITED FINAL RESULTS
For the year ended 31 March 2025

"Record net inflows of £3.7bn driving strong organic growth of revenue and profits"

TAM plc, the investment management and IFA support services group,today announces its audited final results for the year ended 31 March 2025 ("FY25"), which show strong, double-digit organic growth across revenue and adjusted operating profit[1], comfortably at the top end of market consensus, driven by record levels of AUM and net inflows.

FINANCIAL HIGHLIGHTS

- Group revenue increased by 23.1% to £45.309m (2024: £36.807m)
- Adjusted operating profit[1] up 23.9% to £22.946m (2024: £18.514m)
- Adjusted operating profit[1] margin increased to 50.6% (2024: 50.3%)
- Profit before tax increased to £21.596m (2024: £16.751m)
- Adjusted fully diluted EPS[2] increased by 25.1% to 28.65p (2024: 22.91p)
- Final dividend of 9.5p (2024: 8.0p), giving a total dividend for the year of 19.0p (2024: 16.0p) - up 18.8%
- Strong financial liquidity position, with cash of £32.1m (2024: £24.8m)
- Strong balance sheet - net assets increased to £50.6m (2024: £43.3m)

OPERATIONAL HIGHLIGHTS

- AUM/I[3] increased by 24.0% to £21.825bn (2024: £17.604bn). Current latest AUM/I[3] at June 2025 £22.941bn (AUM[3] £21.940bn)
- AUM[3] increased by £4.3bn, or 26.1%, to £20.872bn (2024: £16.551bn)
- Record organic net inflows of £3.687bn (2024: £2.303bn), an increase of 22.3% of opening AUM, with an average run rate of £307m per month (June to date, 10 weeks: £611m, or equivalent to £265m per month)
- Tatton's IFA firms increased by 13.8% to 1,110 (2024: 975) and the number of client accounts increased 22.0% to 153,915 (2024: 126,150)
- Paradigm Mortgages participated in mortgage completions totalling £14.2bn (2024: £13.1bn), an 8.1% increase year on year

OUTLOOK

- Maintaining growth target of £30bn AUM/I[3] by the end of the financial year 2029
- The Board looks to the year ahead and beyond with confidence

1 Operating profit before exceptional items, share-based payment charges, amortisation of acquired intangibles, changes in fair value of contingent consideration and operating loss relating to non-controlling interest.

2 Adjusted fully diluted earnings per share is calculated by dividing the adjusted operating profit plus net cash interest and less tax on adjusted operating activities by the weighted average number of ordinary shares in issue during the year plus potentially dilutive ordinary shares.

3 "AUM" is Assets under management. "AUM/I" is Assets under management and influence.

Paul Hogarth, Chief Executive Officer, commented:

"I am delighted with the performance we have delivered in FY25, as we continued to make strong progress against our long-term ambitions, achieving sustained organic growth and advancing our strategic priorities.

These achievements not only reflect the strength and resilience of our business model, but also stand as a testament to the adaptability, professionalism, and unwavering commitment of our people across the Group. Their dedication has been instrumental in navigating what has been a challenging year, marked by an ever-changing and often unpredictable market environment.

"Despite these headwinds, we have remained focused on delivering value for all our stakeholders. As we enter the new financial year, we are encouraged by a strong start, with net new inflows of £0.6 billion in the first 10 weeks, or equivalent to £265 million per month. However, while this early momentum is pleasing, we continue to take a measured and disciplined approach and anticipate a normalised run rate of between £200 million and £250 million per month over the remainder of the year. As we look forward, we remain committed to achieving our goal of reaching the milestone of £30 billion AUM/I by FY29 and further strengthening our position within the UK market. Our confidence in achieving this ambition is founded on the strength of our business and our conviction that we will successfully navigate challenges, while making the most of the opportunities that lie ahead.

"The year ahead will also bring change, most notably with the retirement of our Chairman, Roger Cornick. Roger has been a friend and mentor to me since the IPO and I would like to take this opportunity to once again thank him for his outstanding commitment, wise counsel, and exceptional stewardship over the years."

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

-ends-

For further information please contact:

	+44 (0) 161 486 3441
Tatton Asset Management plc	
Paul Hogarth (Chief Executive Officer)	
Paul Edwards (Chief Financial Officer)	
Lothar Mentel (Chief Investment Officer)	
Zeus - Nomad and Broker	**+44 (0) 20 3829 5000**
Martin Green/Dan Bate (Investment Banking)	
Singer Capital Markets - Joint Broker	**+44 (0) 20 7496 3000**
Charles Leigh-Pemberton / Peter Steel (Investment Banking)	
Gracechurch Group - Financial PR and IR	
Heather Armstrong / Henry Gamble / Rebecca Scott	**+44 (0) 20 4582 3500**
	tatton@gracechurchpr.com
Trade Media Enquiries	
Roddi Vaughan-Thomas	**+44 (0) 20 7139 1452**

For more information, please visit: www.tattonassetmanagement.com

Chairman's Report

Strength in collaboration, results in action

Introduction

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

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

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

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

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

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

Financial Highlights

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

Our People

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

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

Role of the Board and its Effectiveness

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

UK Corporate Governance

The Board of Directors recognises the importance of good governance in the management of TAM and in the protection of shareholder interests. Now a member of the Quoted Companies Alliance, the Group is committed to maintaining high standards of corporate governance and has implemented full compliance with the new QCA Corporate Governance Code (the "QCA Code"). Governance practices are continuously reviewed to guarantee that they meet the evolving needs of the business and its stakeholders. Details of how we have applied the principles that form the QCA Code are provided throughout the Annual Report and are detailed on pages 60 to 62 of the 2025 Annual Report.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to act in good faith to promote the success of the Company for the benefit of its members as a whole. In doing so, they must consider the long-term impact of their decisions, the interests of employees, and the need to foster strong relationships with suppliers, customers, and other stakeholders. Directors must also take into account the Group's impact on the community and environment, the importance of maintaining a reputation for high ethical standards, and the need to treat all shareholders fairly. This ensures responsible governance and sustainable business growth in the long-term. Further information can be found on pages 52 and 53 of the 2025 Annual Report.

Dividends

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

Outlook and Prospects

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

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

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

Roger Cornick
Chairman

1. Alternative performance measures are detailed in note 27.

Chief Executive Officer's Review

Sustained success: Record £3.7bn net inflows amid volatility

Introduction

I am pleased to present the Annual Strategic Report for Tatton Asset Management plc, marking a year of strong performance, sustained organic growth, and meaningful strategic progress. This year's achievements highlight the strength, resilience, and adaptability of our business model, which continues to thrive amid an ever-evolving and dynamic market environment. Our performance is a testament to the dedication and expertise of our people, the enduring trust placed in us by our IFA partners and their clients, and our clear focus on long-term, sustainable value creation. This report sets out the key factors behind our success and outlines the strategic priorities that will guide our continued progress in the year ahead.

Financial Results

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

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

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

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

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

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

Progress and Strategic Development

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

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

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

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

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

Our platform-agnostic, adviser-centric approach continues to resonate. By delivering consistent investment performance, exceptional service, and a price-competitive proposition, we are building enduring partnerships with IFAs across across the UK. This disciplined focus remains the foundation of our growth strategy. As we look ahead, we remain confident in our ability to scale up further - supported by ongoing investment in people, technology, and proposition development. With strong momentum, clear strategic direction, and a growing market opportunity, TAM is well-positioned to deliver on its growth ambitions and reinforce its leadership in the UK discretionary investment market.

Market Development and Trends

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

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

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

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

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

Our Strategic Vision and Priorities

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

Accelerate AUM Growth

We are targeting AUM/I[1] of £30bn by March 2029, representing a compound annual growth rate of 11.3% from March 2024. Central to this ambition is our commitment to generating a minimum average of £2.5bn in net inflows each year, supported by strong adviser engagement and ongoing proposition development.

Broaden Distribution Reach

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

Pursue Strategic Acquisitions and Partnerships

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

Grow Paradigm's Market Share

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

Outlook

Tatton Asset Management plc enters FY26 with strong momentum and a clear sense of vision and direction. We remain fully committed to our long-term strategy and focused on delivering our ambitious target of

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

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

Paul Hogarth
Chief Executive Officer

1. Alternative performance measures are detailed in note 27.

Chief Investment Officer's Report

Consistency and leadership during a period of change

Service Development

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

As such, we expanded our very successful 'Tatton on the Road' events, meeting over 500 new and existing adviser firms across the UK, and the team presented at 120 face-to-face IFA events last year. This creates the perfect environment in which to further understand their business and client requirements, to enable us to improve our service and product offering.
Effective and accessible adviser communications have provided vital support during market uncertainty. We continue to develop our popular video updates, live investment webinars and educational reports so that advisers can support their clients.

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

2024/25 Capital Markets and Returns

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

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

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

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

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

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

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

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

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

Outlook

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

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

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

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

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

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

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

Lothar Mentel
Chief Investment Officer

Investment Portfolio Returns

1 year, 1 April 2024 - 31 March 2025

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

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

3 years, 1 April 2022 - 31 March 2025

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

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

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

Chief Financial Officer's Report

Creating value through disciplined growth and strategic delivery

Introduction

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

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

Income Statement Highlights

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

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

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

Reconciliation between adjusted operating profit and statutory operating profit

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

1. Alternative performance measures are detailed in note 27.

Cost Base and Investment

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

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

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

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

Results of Joint Ventures

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

the carrying value.

Separately Disclosed Items

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

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

Alternative Performance Measures ("APMs")

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

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

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

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

Finance Income

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

Taxation

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

Statement of Financial Position and Cash

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

- Outflows relating to the payment of dividends of £10.4m (2024: £10.8m);
- Seed Investment of £1.0m in Tatton's new range of passive funds launched in this financial year; this is currently held as a financial asset at fair value through profit and loss on the balance sheet;
- Payment of contingent consideration of £0.5m (2024: £0.9m) relating to the acquisition of the Verbatim funds;
- Payments to acquire intangible assets of £0.4m (2024: £0.2m); and

- Interest received on corporate cash in bank accounts and money market funds of £1.0m (2024: £0.6m).

Working Capital

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

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

Capital Allocation and Liquidity Management

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

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

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

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

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

Regulatory capital reconciliation

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

Earnings per Share ("EPS")

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

Dividends

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

Risk Management

Risk is carefully monitored and is managed across each business line, with regular reviews of key exposures. Principal risks and key performance indicators are detailed on pages 26 to 31 and 20 to 22 of the 2025 Annual Report, respectively. Our strategic approach to capital, regulation, and investment is designed to ensure long-term resilience, while continuing to deliver growth and value.

Conclusion

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

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

Paul Edwards
Chief Financial Officer

Consolidated Statement of Total Comprehensive Income

for the year ended 31 March 2025

	Note	**31-Mar 2025 (£'000)**	31-Mar 2024 (£'000)
Revenue	5	**45,309**	36,807
Share of loss from joint ventures	14	**(148)**	(1,188)
Administrative expenses		**(24,475)**	(19,155)
Operating profit	6	**20,686**	16,464
• Share-based payment charges	7	**1,503**	1,458
• Amortisation of acquisition-related intangible assets	7	**657**	633
• Operating loss relating to non-controlling interest	7	**100**	59
• Gain arising on changes in fair value of contingent consideration	7	**-**	(1,350)
• Exceptional items	7	**-**	1,250
Adjusted operating profit[1]		**22,946**	18,514
Finance income	8	**1,033**	640
Finance costs	9	**(123)**	(353)
Profit before tax		**21,596**	16,751
Taxation charge	10	**(5,594)**	(3,830)
Profit and total comprehensive income for the financial year		**16,002**	12,921
Profit and total comprehensive income attributable to owners of the Parent Company		**16,141**	12,986
Profit and total comprehensive income attributable to non-controlling interests		**(139)**	(65)
Earnings per share - Basic	11	**26.43p**	21.39p
Earnings per share - Diluted	11	**26.21p**	21.02p
Adjusted earnings per share - Basic[1]	11	**29.42p**	23.73p
Adjusted earnings per share - Diluted[1]	11	**29.17p**	23.32p
Adjusted earnings per share - Fully diluted[1]	11	**28.65p**	22.91p

1. See note 27.

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

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

Consolidated Statement of Financial Position

for the year ended 31 March 2025

	Note	**31-Mar 2025 (£'000)**	31-Mar 2024 (£'000)
Non-current assets			
Investments in joint ventures	14	**5,256**	5,352
Goodwill	15	**9,796**	9,796
Intangible assets	16	**3,493**	3,686
Property, plant and equipment	17	**932**	816
Deferred tax assets	20	**2,883**	2,571
Other receivables	18	**-**	188
Total non-current assets		**22,360**	22,409
Current assets			
Trade and other receivables	18	**6,538**	5,108
Financial assets at fair value through profit or loss	22	**1,133**	106
Corporation tax		**291**	-
Cash and cash equivalents		**32,119**	24,838
Total current assets		**40,081**	30,052
Total assets		**62,441**	52,461
Current liabilities			
Trade and other payables	19	**(11,232)**	(8,109)
Corporation tax		**-**	(2)
Total current liabilities		**(11,232)**	(8,111)
Non-current liabilities			
Other payables	19	**(657)**	(1,016)
Total non-current liabilities		**(657)**	(1,016)
Total liabilities		**(11,889)**	(9,127)
Net assets		**50,552**	43,334
Equity			
Share capital	23	**12,110**	12,102
Share premium account		**15,614**	15,487
Own shares	24	**(2,363)**	(3,278)
Other reserve		**2,041**	2,041
Merger reserve		**(28,968)**	(28,968)
Retained earnings		**52,156**	45,892
Equity attributable to owners of the Parent Company		**50,590**	43,276
Non-controlling interest		**(38)**	58
Total equity		**50,552**	43,334

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

Paul Edwards
Director

Company registration number: 10634323

Consolidated Statement of Changes in Equity

for the year ended 31 March 2025

	Note	Share capital (£'000)	Share premium (£'000)	Own shares (£'000)	Other reserve (£'000)	Merger reserve (£'000)	Retained earnings (£'000)	Total equity attributable to shareholders (£'000)	co
At 1 April 2023		12,011	15,259	-	2,041	(28,968)	41,438	41,781	
Profit and total comprehensive income		-	-	-	-	-	12,986	12,986	
Acquisition of a subsidiary		-	-	-	-	-	-	-	
Dividends	12		-	-	-	-	(10,846)	(10,846)	
Share-based payments	25	-	-	-	-	-	980	980	
Deferred tax on share-based payments	20	-	-	-	-	-	760	760	
Current tax on share-based payments	10	-	-	-	-	-	643	643	
Issue of share capital on exercise of employee share options		91	228	-	-	-	-	319	
Own shares acquired in the year	24	-	-	(3,347)	-	-	-	(3,347)	
Own shares utilised on exercise of options	24	-	-	69	-	-	(69)	-	
At 31 March 2024		**12,102**	**15,487**	**(3,278)**	**2,041**	**(28,968)**	**45,892**	**43,276**	
Profit and total comprehensive income		**-**	**-**	**-**	**-**	**-**	**16,141**	**16,141**	
Dividends	12	**-**	**-**	**-**	**-**	**-**	**(10,440)**	**(10,440)**	
Share-based payments	25	**-**	**-**	**-**	**-**	**-**	**1,160**	**1,160**	
Deferred tax on share-based payments	20	**-**	**-**	**-**	**-**	**-**	**203**	**203**	
Current tax on share-based payments	10	**-**	**-**	**-**	**-**	**-**	**158**	**158**	
Issue of share capital on exercise of employee share options		**8**	**127**	**-**	**-**	**-**	**-**	**135**	
Own shares acquired in the year	24	**-**	**-**	**(50)**	**-**	**-**	**-**	**(50)**	
Own shares utilised on exercise of options	24	**-**	**-**	**965**	**-**	**-**	**(965)**	**-**	
Change in non-controlling interest		**-**	**-**	**-**	**-**	**-**	**7**	**7**	
At 31 March 2025		**12,110**	**15,614**	**(2,363)**	**2,041**	**(28,968)**	**52,156**	**50,590**	

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

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

Consolidated Statement of Cash Flows

for the year ended 31 March 2025

	Notes	**31-Mar 2025 (£'000)**	31-Mar 2024 (£'000)
Operating activities			
Profit for the year		**16,002**	12,921
Adjustments:			
Income tax expense	10	**5,594**	3,830
Finance income	8	**(1,033)**	(640)
Finance costs	9	**123**	353
Depreciation of property, plant and equipment	17	**291**	375
Amortisation of intangible assets	16	**630**	543
Share-based payment expense	25	**1,413**	1,236
Fair value gains on financial assets at fair value through profit or loss		**(27)**	-
Post-tax share of loss of joint venture less amortisation and impairment loss	14	**148**	1,188
Changes in fair value of contingent consideration	7	**-**	(1,350)
Changes in:			
Trade and other receivables		**(1,241)**	(1,576)
Trade and other payables		**2,741**	50
Cash generated from operations		**24,641**	16,930
Income tax paid		**(5,889)**	(3,740)
Net cash from operating activities		**18,752**	13,190
Investing activities			
Payment for the acquisition of a business combination or joint venture, net of cash acquired		**-**	(254)
Dividends received from joint venture		**-**	255
Purchase of financial assets at fair value through profit or loss	22	**(1,000)**	-
Purchase of intangible assets	16	**(437)**	(249)
Purchase of property, plant and equipment	17	**(68)**	(115)
Interest received	8	**1,033**	640
Payment of contingent consideration	22	**(530)**	(937)
Net cash used in investing activities		**(1,002)**	(660)
Financing activities			
Interest paid		**-**	(63)
Dividends paid	12	**(10,440)**	(10,846)
Proceeds from the issue of shares		**135**	249
Proceeds from the exercise of options		**125**	-
Purchase of own shares	24	**(50)**	(3,278)
Repayment of loan liabilities	21	**(23)**	(18)
Repayment of lease liabilities	21	**(216)**	(230)
Net cash used in financing activities		**(10,469)**	(14,186)
Net increase/(decrease) in cash and cash equivalents		**7,281**	(1,656)
Cash and cash equivalents at the beginning of the period		**24,838**	26,494
Cash and cash equivalents at the end of the period		**32,119**	24,838

Notes to the Consolidated Financial Statements

1 | General information

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

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

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

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

2 | Material accounting policies

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

2.1 Basis of preparation

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

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

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

2.2 Going concern

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

Whilst macroeconomic conditions and the impact of climate change may affect the Group, and are considered under the Group's principal risks, these are not considered to impact the going concern basis of the Group - the Board is satisfied that the business can operate successfully in these conditions but will continue to monitor developments in these areas. The Board uses the approved budget as its base case and then applies stress tests to this. In its stress tests, the Board has considered a significant reduction in equity market values, for example, if there was a repeat of the market impacts seen at the outbreak of COVID-19, or sudden and high volumes of outflows from AUM as a result of a reputational, regulatory, or performance issues. This would reduce revenue and profitability; however, the results of these tests show that there are still sufficient resources to continue as a going concern. There are not considered to be any plausible scenarios that would lead to the failure of the Company. The Board closely monitors KPIs and reports from management around investment performance, feedback from IFAs, and key regulatory changes or issues. See more information in the Directors' Report on pages 73 to 76 of the 2025 Annual Report. Accordingly, the Directors continue to adopt the going concern basis when preparing these financial statements.

adopt the going concern basis when preparing these financial statements.

2.3 Basis of consolidation

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

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

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

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

2.4 Adoption of new and revised standards

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

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

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

Standards in issue but not yet effective

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

Effective date periods beginning 1 January 2025 or later

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

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

2.5 Revenue

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

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

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

Contract assets

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

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as deferred income until the Group delivers the performance obligations under the contract (i.e., transfers control of the related goods or services to the customer), at which point revenue is recognised in line with the delivery of the performance obligation.

2.6 Interest income and interest expense

Finance income is recognised as interest accrued (using the effective interest method) and includes interest receivable on the Group's cash and cash equivalents and on funds invested outside the Group. Interest received is recognised as a cash flow from investing activities in the Consolidated Statement of Cash Flows.

Finance expense comprises the unwinding of discounts on contingent consideration and interest incurred on lease liabilities recognised under IFRS 16. Finance costs are recognised in the Consolidated Statement of Total Comprehensive Income using the effective interest rate method. Interest paid is recognised as a cash flow from financing activities in the Consolidated Statement of Cash Flows.

2.7 Separately disclosed items

Separately disclosed items may include Exceptional items as detailed below, but may also include other items that meet at least one of the following criteria:

- It is a significant item, which may cross more than one accounting period;
- It is a significant non-cash item, including share-based payment charges;
- It has been directly incurred as a result of either an acquisition or divestiture, including amortisation of acquisition-related intangible assets or fair value changes of contingent consideration;
- It is unusual in nature, e.g. outside of the normal course of business; or
- The operating profit/(loss) relating to non-controlling interest is also removed, to reflect the adjusted operating profit attributable to the Company's shareholders.

The Board exercises judgement as to whether the item should be classified as an adjusting item within Separately disclosed items. Separately disclosed items are shown separately on the face of the Statement of

Total Comprehensive Income and included within Administrative expenses or, in the case of amortisation on intangible assets relating to a joint venture, the cost is included within Share of profit/(loss) from joint ventures. Although some of these items may recur from one period to the next, operating profit has been adjusted for these items on a consistent basis to provide additional helpful information and enable an alternative comparison of performance over time. The alternative performance measures ("APMs") disclosed in note 27 are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these measures are also used for the purpose of setting remuneration targets.

2.8 Exceptional items

Exceptional items are disclosed and described separately in the financial statements to provide further information on items that are one-off and are material in size or nature and so are shown separately, due to the significance of their nature and amount. This includes items that are incremental to normal operations, such as costs relating to an acquisition, disposal, integration, or impairment losses; these do not reflect the business's trading performance and so are adjusted to ensure consistency between periods.

2.9 Goodwill and intangible assets

Goodwill from a business combination is initially recognised and measured as set out in note 2.12. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") (or groups of CGUs) expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Following initial recognition, intangible assets are held at cost less any accumulated amortisation and any provision for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (CGUs).

Intangible assets acquired separately are measured on initial recognition at cost. Any computer software licences acquired are capitalised at the cost incurred to bring the software into use, and are amortised on a straight-line basis over their estimated useful lives, which are estimated as being five years. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Costs associated with developing or maintaining computer software programs that do not meet the capitalisation criteria under IAS 38 are recognised as an expense as incurred.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, the client relationship intangible assets, brand intangible assets, and acquired software have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over their useful lives, estimated for all asset classes as of 10 years.

Gains and losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying value of the asset. The difference is then recognised in the income statement.

An assessment is made at each reporting date as to whether there is any indication that an asset in use may be impaired. If any such indication exists and the carrying values exceed the estimated recoverable amount at that time, the assets are written down to their recoverable amount. The recoverable amount is measured as the greater of fair value less costs to sell and value in use. Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment at each Statement of Financial Position date and whenever there is an indication at the end of a reporting period that the asset may be impaired. Assets subject to depreciation and amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Where the asset does not generate cash flows that are independent of other assets, the Group estimates the recoverable amount of each cash-generating unit ("CGU") to which the asset belongs. Impairment losses on previously revalued assets are recognised against the revaluation reserve as far as this reserve relates to previous revaluations of the same assets. Other impairment losses are recognised in the Statement of Total Comprehensive Income, based on the amount by which the carrying value of an asset or CGU exceeds its recoverable amount. The recoverable amount is the higher of the fair value less the costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Impairment losses recognised with respect to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of other assets in the unit on a pro rata basis.

Where an impairment loss on intangible assets, excluding goodwill, subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss that has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

2.11 Property, plant and equipment

Property, plant and equipment assets are stated at cost, net of accumulated depreciation and accumulated provision for impairment. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Principal annual rates are as follows:

- computer, office equipment and motor vehicles - 20-33% straight-line; and
- fixtures and fittings - 20% straight-line.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in the Statement of Total Comprehensive Income.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

2.12 Business combinations

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that: deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 'Income Taxes' and IAS 19 'Employee Benefits' respectively; liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 'Share-based payments' at the acquisition date (see below); and assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and is included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The payment of contingent consideration will be treated as an investing cash flow of the Group.
The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Any other contingent consideration is remeasured to fair value at subsequent reporting dates, with changes in fair value recognised in profit or loss. The unwinding of the discount rate where contingent consideration is discounted is recognised as a finance cost in the Statement of Comprehensive Income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised to reflect new information obtained about the facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognised as of that date.

2.13 Joint ventures

Joint ventures are entities in which the Company has an investment where it, along with one or more other shareholders, has contractually agreed to share control of the business and where decisions over the relevant activities require the unanimous consent of the joint partners. The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, the Company initially records the investment in the Consolidated Statement of Financial Position at the fair value of the purchase consideration (cost) and adjusted thereafter to recognise the Company's share of the entity's profit or loss after tax and amortisation of intangible assets.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the

Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. The Statement of Financial Position, therefore, subsequently records the Company's share of the net assets of the entity, plus any goodwill and intangible assets that arose on purchase, less subsequent amortisation. The Statement of Changes in Equity records the Company's share of other equity movements of the entity. At each reporting date, the Company applies judgement to determine whether there is any indication that the carrying value of joint ventures may be impaired.

If there is objective evidence that the Group's net investment in a joint venture is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment, in accordance with IAS 36, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised, in accordance with IAS 36, to the extent that the recoverable amount of the investment subsequently increases. The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture.

2.14 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease given in IFRS 16.

The Group recognises a right-of-use ("ROU") asset and a lease liability at the commencement date of the lease, with the exception of short-term leases (defined as leases with a lease term of twelve months or less). The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The ROU assets are subsequently depreciated on a straight-line basis over the shorter of the expected life of the asset and the lease term, adjusted for any remeasurements of the lease liability. At the end of each reporting period, the ROU assets are assessed for indicators of impairment in accordance with IAS 36.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The incremental borrowing rate is determined, where possible, by using recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received. The incremental borrowing rate depends on the term, country, currency, and security of the lease, and also the start date of the lease.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently measured by adjusting the carrying amount to reflect the interest charge, the lease payments made, and any reassessment or lease modifications. The lease liability is remeasured if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option.

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

Where the Group is an intermediate lessor in a sub-lease, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits held with banks by the Group. Cash equivalents are short-term (generally with an original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the Consolidated Statement of Cash Flows. At 31 March 2025, there were no balances drawn down on bank overdrafts (2024: nil).

2.16 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract with terms that require delivery of the financial asset within a timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss.

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and bank balances, and trade and other payables.

Financial investments

Financial investments are classified as fair value through profit or loss ("FVTPL") if they do not meet the criteria of fair value through other comprehensive income ("FVOCI") or amortised cost. They are also classified as FVTPL if they are either held for trading or specifically designated in this category on initial recognition. Assets in this category are initially recognised at fair value and subsequently remeasured, with gains or losses arising from changes in fair value being recognised in the Statement of Comprehensive Income.

The Group's financial investments include investments in a regulated open-ended investment company that is managed and evaluated on a fair value basis in line with the market value. These financial assets do not meet the criteria of FVOCI or amortised cost as the asset is not held to collect contractual cash flows and/or selling financial assets, and the asset's contractual cash flows do not represent solely payments of principal and interest ("SPPI").

Trade receivables

Trade receivables do not carry interest and are stated at amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts. They are recognised when the Group's right to consideration is only conditional on the passage of time. The financial assets are held in order to collect the contractual cash flows and those cash flows are payments of interest and principal only.

Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses that uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has, therefore, concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of twelve months before 31 March 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No impairment has been recognised in the year (2024: £nil).

The Group applies the IFRS 9 standard approach to measuring expected credit losses for other receivables. To measure the lifetime expected credit losses, the group has considered the probability of default, level of exposure, the age of the asset, collateral, and the wider macroenvironment. No impairment has been recognised in the year (2024: £nil).

Trade and other payables

Trade and other payables, except for those which are financial liabilities at FVTPL, are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, where applicable or required. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period, which are unpaid.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL. Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

2.17 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes those items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary difference and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the Statement of Financial Position date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.18 Retirement benefit costs

The Group pays into personal pension plans for which the amount charged to income with respect to pension costs and other post-retirement benefits is the amount of the contributions payable in the year. Payments to defined contribution retirement benefit scheme are recognised as an expense when employees have rendered service entitling them to the contributions. Differences between contributions payable and paid are accrued or prepaid. The assets of the plans are invested and managed independently of the finances of the Group.

2.19 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued. Retained earnings include all current and prior periods' retained profits or losses.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved at a general meeting prior to the reporting date.

2.20 Employee Benefit Trust

The Company provides finance to the EBT to purchase the Company's shares on the open market, in order to meet its obligation to provide shares when an employee exercises awards made under the Group's share-based payment schemes. Administration costs connected with the EBT are charged to the Statement of Comprehensive Income.

The cost of shares purchased and held by the EBT is deducted from equity in the Company and the Group. The assets held by the EBT are consolidated into the Group's financial statements. Any consideration paid or received for the purchase or sale of these shares is shown as a reduction in the reconciliation of movements in shareholders' funds. No gain or loss is recognised in the Statement of Other Comprehensive Income on the purchase, sale, issue, or cancellation of these shares.

2.21 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions.

The impact of the revision of the original estimates, if any, is recognised in profit or loss ,such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves. Fair value is measured by use of the Black-Scholes model or Monte Carlo model, as appropriate.

2.22 Climate change

The Group is continually developing its assessment of the impact that climate change has on the assets and liabilities recognised and presented in its financial statements. The potential impact of climate change on the Group's AUM and future net operating revenue generation is considered in the Principal Risks section of this Annual Report and Accounts. These
considerations did not have a material impact on the financial reporting judgements and estimates in the current year. This reflects the conclusion that climate change is not expected to have a significant impact on the Group's short-term cash flows, including those considered in the going concern and viability assessments.

2.23 Operating segments

The Board is considered to be the chief operating decision maker ("CODM"). The Group comprises two operating segments, which are defined by trading activity:

- Tatton - investment management services
- Paradigm - the provision of compliance and support services to IFAs and mortgage advisers

Some centrally incurred overhead costs are allocated to the Tatton and Paradigm divisions on an appropriate pro rata basis. There remain central overhead costs within the Operating Group that have not been allocated to the Tatton and Paradigm divisions, which are classified as 'Unallocated' within note 4.

2.24 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described above, management have made judgements and estimations about the future that have an effect on the amounts recognised in the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Changes for accounting estimates would be accounted for prospectively under IAS 8.

Investments in joint ventures

Estimation uncertainty

Impairment of investments in joint ventures

Impairment exists when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and where that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. The entire carrying amount of the investment is tested for impairment, in accordance with IAS 36, as a single asset, by comparing its recoverable amount (the higher of value in use and fair value less costs of disposal) with its carrying amount.

For the purposes of impairment testing, the recoverable amount of the investment in the joint venture, 8AM, has been determined based on value in use calculations using a discounted cash flow model that requires the use of assumptions. The pre-tax discount rate applied to the cash flow forecasts is derived from a weighted average cost of capital model, the inputs for which are externally available. The pre-tax discount rate used to calculate value is 16.9% (2024: 16.3%). The model assesses sensitivity to operating margins, discount rates, and AUM growth rates. The results of the calculation indicate no impairment. In the previous year, an impairment charge of £1,250,000 was been recognised in the Statement of Total Comprehensive Income in the financial year.

The Group has conducted an analysis of the sensitivity to changes in the key assumptions used to determine amount and timing of cash flows, including:

- a reduction in growth rate;
- a reduction in the terminal growth rate; and
- an increase in the discount rate.

Reducing forecast growth rates for the five year forecast period reduces headroom above the threshold for impairment by c.£475,000 for every 5% reduction in growth. Reducing the terminal growth rate to 0% would reduce headroom above the threshold for impairment by c.£355,000. Increasing the discount rate would reduce headroom above the threshold for impairment by c.£520,000 for every 1% increase in discount rate.

Business combinations

Critical judgement

Client relationships, brand, and software intangibles purchased through corporate transactions

When the Group purchases client relationships, brands, and software through transactions with other corporate entities, a judgement is made as to the identification of the intangible asset and whether the transaction should be accounted for as a business combination or as a separate purchase of intangible assets. In making this judgement, the Group assesses the assets, liabilities, operations, and processes that were the subject of the transaction against the definition of a business combination in IFRS 3. For a business combination, it is determined whether all elements of a business in IFRS 3 have been met; in particular, consideration is given to the inputs, processes, and outputs, and that there is, at least, an input and a substantive process that together significantly contribute to the ability to create output. It has also been considered whether the integrated set of activities is capable of being conducted and managed as a business by a market participant, and a judgement made as to whether the acquired process is substantive. If the acquisition is not deemed to be a business, it is treated as an acquisition of an asset or a group of assets.

There are no other judgements or assumptions made about the future, or about any other major sources of estimation uncertainty at the end of the reporting period, which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.25 Other estimates

Estimation uncertainty

Share-based payments

Given the significance of share-based payments as a form of employee remuneration for the Group, management are providing additional information on the estimates involved in the accounting for share-based payments. This is not considered to be a key source of estimation uncertainty, given the materiality of the impact that changes in estimates have and as a result of the changes in estimates not impacting the carrying amount of an asset or liability in the balance sheet. The principal estimations relate to:

- forfeitures (where awardees leave the Group as 'bad' leavers and, therefore, forfeit unvested awards); and
- the satisfaction of performance obligations attached to certain awards.

These estimates are reviewed regularly and the charge to the Statement of Total Comprehensive Income is adjusted accordingly (at the end of the relevant scheme as a minimum). Based on the current forecasts of the Group, the charge for the year is based on 100% of the options in various scheme years vesting for the element relating to non-market-based performance conditions. A decrease of 10% in the vesting assumptions would reduce the charge in the next financial year by £159,000.

In considering the level of satisfaction of performance obligations, the Group's forecast has been reviewed and updated for the expected impact of the various market scenarios and management actions. This forecast has been used to estimate the relevant vesting assumptions for the Enterprise Management Incentive ("EMI") schemes in place.

2.26 Alternative performance measures

In reporting financial information, the Group presents alternative performance measures ("APMs") that are not defined or specified under the requirements of IFRSs. The Group believes that these APMs provide users with additional helpful information on the performance of the business. The APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these measures are also used for the purpose of setting remuneration targets. The APMs used by the Group are set out in note 27, including explanations of how they are calculated and how they can be reconciled to a statutory measure where relevant. There is also further information on separately disclosed items in note 7.

3 | Capital management

The components of the Group's capital are detailed on the Consolidated Statement of Financial Position and as at the reporting date the Group had capital of £50,552,000 (2024: £43,334,000). Capital generated from the business is both reinvested in the business to generate future growth and returned to shareholders, principally in the form of dividends.

principally in the form of dividends.

The Group's objectives when managing capital are (i) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; (ii) to maintain a strong capital base and utilise it efficiently to support the development of its business; and (iii) to comply with the regulatory capital requirements set by the FCA. Capital adequacy and the use of regulatory capital are monitored by the Group's management and Board. There is one active regulated entity in the Group: Tatton Investment Management Limited, regulated by the FCA.

Regulatory capital is determined in accordance with the requirements of the FCA's Investment Firms Prudential Regime and the Capital Requirements Directive IV prescribed in the UK by the FCA. The Directive requires continual assessment of the Group's risks that is underpinned by the Group's Internal capital adequacy and risk assessment ("ICARA"). The ICARA considers the relevant current and future risks to the business and the capital that is considered necessary to support these risks.

The Group actively monitors its capital base to ensure that it maintains sufficient and appropriate capital resources to cover the relevant risks to the business and to meet consolidated and individual regulated entity regulations and liquidity requirements. The Group assesses the adequacy of its own funds on a consolidated and legal entity basis on a frequent basis. This includes continuous monitoring of 'K-factor' variables, which captures the variable nature of risk involved in the Group's business activities. A regulatory capital update is additionally provided to senior management on a monthly basis. In addition to this, the Group has implemented a number of 'Key risk indicators', which act as early warning signs, with the aim of notifying senior management if the Group's own funds misalign with the Group's risk appetite and internal thresholds.

The FCA requires the Group to hold more regulatory capital resources than the total capital resource requirement. The total capital requirement for the Group is the higher of the Group's own funds requirement (based on 25% of fixed overheads), its own harm requirement (based on the Group's requirement for harms from ongoing activities as calculated in the ICARA) and wind-down requirement (capital requirement should the firm wind down). The total capital requirement for the Group is £4.56m (unaudited), which is based on the Group's own funds requirement. As at 31 March 2025, the Group has regulatory capital resources of £13.12m (unaudited), which is significantly in excess of the Group's total capital requirement. During the period, the Group and its regulated subsidiary entities complied with all regulatory capital requirements.

4 | Segment reporting

Information reported to the Board of Directors as the CODM for the purposes of resource allocation and assessment of segmental performance is focused on the type of revenue. The principal types of revenue are discretionary fund management and the marketing and promotion of the funds run by the companies under Tatton Capital Limited ("Tatton") and the provision of compliance and support services to IFAs and mortgage advisers ("Paradigm").

The Group's reportable segments under IFRS 8 are, therefore, Tatton and Paradigm, with centrally incurred overhead costs applicable to the segments being allocated to the Tatton and Paradigm divisions on an appropriate pro rata basis. Unallocated central overhead costs of the Operating Group are classified as 'Unallocated' in the table below to provide a reconciliation of the segment information to the financial statements. Unallocated costs include general corporate expenses, head office salaries, and other administrative costs that are not directly attributable to the operating segments. These costs are managed at the corporate level and are not allocated to the segments for performance evaluation.

The principal activity of Tatton is that of discretionary fund management ("DFM") of investments on-platform and the provision of investment wrap services.
The principal activity of Paradigm is that of the provision of support services to IFAs and mortgage advisers. For management purposes, the Group uses the same measurement policies as are used in its financial statements. The Paradigm division includes the trading subsidiaries of Paradigm Partners Limited and Paradigm Mortgages Services LLP, which operate as one operating segment as they have the same economic characteristics, they are run and managed by the same management team, and the methods used to distribute the products to customers are the same. The information presented in this note is consistent with the presentation for internal reporting. Total assets and liabilities for each operating segment are not regularly provided to the CODM.

The following is an analysis of the Group's revenue and results by reportable segment:

Year ended 31 March 2025	Tatton (£'000)	Paradigm (£'000)	Unallocated (£'000)	Group (£'000)
Revenue	**38,987**	**6,322**	**-**	**45,309**
Share of post-tax loss from joint ventures	**(148)**	**-**	**-**	**(148)**
Administrative expenses	**(14,974)**	**(4,779)**	**(4,722)**	**(24,475)**
Operating profit/(loss)	**23,865**	**1,543**	**(4,722)**	**20,686**
Share-based payments	**397**	**157**	**949**	**1,503**
Gain arising on changes in fair value of contingent consideration	**-**	**-**	**-**	**-**
Exceptional items	**-**	**-**	**-**	**-**
Amortisation of acquisition-related intangible assets	**621**	**36**	**-**	**657**
Non-controlling interest	**-**	**100**	**-**	**100**
Adjusted operating profit/(loss)[1]	**24,883**	**1,836**	**(3,773)**	**22,946**

Year ended 31 March 2025	Tatton (£'000)	Paradigm (£'000)	Unallocated (£'000)	Group (£'000)
Statutory operating costs included the following:				
Depreciation	**64**	**58**	**169**	**291**
Amortisation	**782**	**53**	**2**	**837**

Year ended 31 March 2024	Tatton (£'000)	Paradigm (£'000)	Unallocated (£'000)	Group (£'000)
Revenue	30,864	5,943	-	36,807
Share of post-tax loss from joint ventures	(1,188)	-	-	(1,188)
Administrative expenses	(11,092)	(4,421)	(3,642)	(19,155)
Operating profit/(loss)	18,584	1,522	(3,642)	16,464
Share-based payments	340	186	932	1,458
Gain arising on changes in fair value of contingent consideration	(1,350)	-	-	(1,350)
Exceptional items	1,250	-	-	1,250
Amortisation of acquisition-related intangible assets	621	12	-	633
Non-controlling interest	-	59	-	59
Adjusted operating profit/(loss)[1]	19,445	1,779	(2,710)	18,514

Year ended 31 March 2024	Tatton (£'000)	Paradigm (£'000)	Unallocated (£'000)	Group (£'000)
Statutory operating costs included the following:				
Depreciation	249	112	14	375
Amortisation	734	16	-	750

All turnover arose in the United Kingdom. The key decision makers use the KPIs as detailed on pages 20 to 22 of the 2025 Annual Report.

1. Alternative performance measures are detailed in note 27.

5 | Revenue

The disaggregation of consolidated revenue is as follows:

Operating segment	Major product/service lines	**31-Mar 2025 (£'000)**	31-Mar 2024 (£'000)
Tatton	Investment management fees	**38,987**	30,864
Paradigm	IFA consulting and support services income	**2,342**	2,221
Paradigm	Mortgage-related services income	**3,200**	2,990
Paradigm	Marketing income	**780**	732
		45,309	36,807

The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 'Operating segments' (see note 4). All the revenue relates to trading undertaken in the UK.

Investment management fees are recurring charges derived from the market value of retail customer assets, based on asset mix and portfolio size, and are, therefore, subject to market and economic risks. The rate charged is variable and is dependent on the product. Although most ongoing revenue is based on the value of underlying benefits, these are not considered to constitute variable income in which significant judgement or estimation is involved. The calculations are based on short timelines or point-in-time calculations that represent the end of a quantifiable period, in accordance with the contract. These are charged to and paid by the client on the same value, constituting the transaction price for the specified period. At any time during the period, a client may choose to remove their assets from a service and no further revenue is received.

All obligations to the customer are satisfied at the end of the period in which the service is provided for ongoing revenue, with payment being due immediately.

IFA consulting and support services income and marketing income are fixed based on the service provided. The rate charged for mortgage-related services income is variable and is dependent on the product. See note 2.5 for details of when revenue is recognised for the Paradigm product lines, including compliance consultancy services, mortgage-related services, and marketing services.

There are no elements of revenue that relate to contracts with an expected duration of over one year; therefore, the Group has applied the practical expedient for contracts of less than one year.

6 | Operating profit

The operating profit and the profit before taxation are stated after charging/(crediting):

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Amortisation of software (note 16)	**180**	117
Amortisation of acquisition-related intangibles (note 7)	**657**	633
Depreciation of property, plant and equipment (note 17)	**96**	159
Depreciation of right-of-use assets (note 17)	**195**	216
Impairment of investment in joint venture (note 7)	**-**	1,250
(Gain)/loss arising on financial assets designated as FVTPL	**(27)**	2
Employee benefit expense (note 13)	**14,868**	12,448
Gain arising on changes in fair value of contingent consideration (note 7)	**-**	(1,350)
Services provided by the Group's auditor:		
Audit of the statutory consolidated and Company financial statements of		
Tatton Asset Management plc	**149**	130
Audit of subsidiaries	**91**	79
Other fees payable to the auditor:		
Non-audit services	**10**	9

Total audit fees were £240,000 (2024: £209,000). Total non-audit fees payable to the auditor were £10,000 (2024: £9,000).
'Amortisation of software' in the table above excludes £36,000 (2024: £12,000) of amortisation relating to the software acquired on acquisition of Fintegrate, which is included in the £657,000 (2024: £633,000) of amortisation of acquisition-related intangibles.

7 | Separately disclosed items

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Gain arising on changes in fair value of contingent consideration	**-**	(1,350)
Exceptional costs	**-**	1,250
Share-based payment charges	**1,503**	1,458
Operating loss relating to non-controlling interest	**100**	59
Amortisation of acquisition-related intangible assets	**657**	633
Total separately disclosed items	**2,260**	2,050

Separately disclosed items that are shown separately on the face of the Statement of Total Comprehensive Income represent costs and income that do not reflect the Group's trading performance and may be considered material (individually or in aggregate if of a similar type) due to their size or frequency, and are adjusted to present Adjusted operating profit so as to ensure consistency between periods. The costs or income above are all included within Administrative expenses, except for the Exceptional costs in FY24 of £1,250,000, which was recognised within the Share of loss of joint ventures.

Although some of these items may recur from one period to the next, operating profit has been adjusted for these items to give better clarity regarding the underlying performance of the Group. The alternative performance measures ("APMs") are consistent with how the business performance is planned and reported within the internal management reporting to the Board. Some of these measures are also used for the purpose of setting remuneration targets.

of setting remuneration targets.

Gain arising on changes in fair value of acquisition-related items

During the prior year, the Group revalued its financial liability at fair value through profit or loss relating to the contingent consideration on the acquisition of the Verbatim funds business and 8AM Global Limited. This resulted in a credit of £1,350,000 being recognised in the prior year. No such revaluation was required in the financial year ending 31 March 2025.

Exceptional items

During the prior year, the Group reviewed the investment in the 8AM joint venture for impairment and recognised an impairment loss in the year of £1,250,000. As the impairment of the investment was a non-cash item, there were no cash flows from exceptional items included on the Consolidated Statement of Cash Flows. No such impairment was identified in financial year to 31 March 2025.

Share-based payment charges

Share-based payments is a recurring item, although the value will change depending on the estimation of the satisfaction of performance obligations attached to certain awards. It is an adjustment to operating profit since it is a significant non-cash item. Adjusted operating profit represents largely cash-based earnings and more directly relates to the trading performance of the financial reporting period.

Operating loss due to non-controlling interest

The Group's operating profit includes £100,000 of losses relating to the non-controlling interest in Fintegrate Financial Solutions Limited (2024: £59,000). This has been excluded from the Group's adjusted operating profit to reflect the adjusted operating profit attributable to the shareholders of the Company.

Amortisation of acquisition-related intangible assets

Payments made for the introduction of client relationships and brands that are deemed to be intangible assets are capitalised and amortised over their useful life, which has been assessed to be ten years. This includes £207,000 of amortisation of the intangibles recognised on the acquisition of 8AM, where the amortisation charge is included within the Share of profit/(loss) from joint ventures in the Consolidated Statement of Total Comprehensive Income (2024: £207,000). This amortisation charge is recurring over the life of the intangible asset, although it is an adjustment to operating profit since it is a significant non-cash item. Adjusted operating profit represents largely cash-based earnings and more directly relates to the trading performance of the financial reporting period.

8 | Finance income

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Bank interest income	**1,025**	640
Other interest	**8**	-
Total finance income	**1,033**	640

9 | Finance costs

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Bank interest payable	**(10)**	-
Unwinding of the discount on contingent consideration	**(47)**	(201)
Interest expense on lease liabilities	**(66)**	(6)
Interest payable in the servicing of banking facilities	**-**	(146)
Total finance costs	**(123)**	(353)

10 | Taxation charge

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Current tax expense		
Current tax on profits for the period	**5,792**	4,798
Adjustment for over-provision in prior periods	**(37)**	(290)
	5,755	4,508
Deferred tax credit		
Current year credit	**(164)**	(173)

Adjustment with respect to previous years	**3**	(505)
	(161)	(678)
Total tax expense	**5,594**	3,830

The deferred tax credit includes £52,000 relating to the release of the deferred tax liability on the investment in 8AM Global Limited, which is recognised within the Investment in joint ventures balance on the Consolidated Statement of Financial Position (2024: £33,000).

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to profit for the year are as follows:

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Profit before taxation	**21,596**	16,751
Tax at UK corporation tax rate of 25%	**5,399**	4,188
Expenses not deductible for tax purposes	**60**	462
Income not taxable	**(14)**	(443)
Adjustments with respect to previous years	**(45)**	(795)
Capital allowances in excess of depreciation	**5**	6
Deferred tax asset not recognised	**157**	142
Share-based payments	**32**	270
Total tax expense	**5,594**	3,830

11 | Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares during the year.

Number of shares

	31-Mar 2025	31-Mar 2024
Basic		
Weighted average number of shares in issue[1]	**61,623,021**	61,064,870
Effect of own shares held by an EBT	**(562,061)**	(358,196)
	61,060,960	60,706,674
Diluted		
Effect of weighted average number of options outstanding for the year	**531,198**	1,075,124
Weighted average number of shares (diluted)[2]	**61,592,158**	61,781,798
Fully diluted		
Effect of full dilution of employee share options that are contingently issuable or have future attributable service costs	**1,109,396**	1,096,621
Adjusted diluted weighted average number of options and shares for the year[3]	**62,701,554**	62,878,419

1. The weighted average number of shares in issue includes contingently issuable shares where performance obligations have been met and there will be little to no cash consideration, but the share options have yet to be exercised.
2. The weighted average number of shares is diluted due to the effect of potentially dilutive contingent issuable shares from share option schemes.
3. The dilutive shares used for this measure differ from that used for statutory dilutive earnings per share; the future value of service costs attributable to employee share options is ignored and contingently issuable shares for long-term incentive plan options are assumed to fully vest.

Own shares held by an EBT represents the Company's own shares purchased and held by the Employee Benefit Trust ("EBT"), shown at cost. In the year ended 31 March 2025, the EBT purchased 7,664 (2024: 1,005,696) of the Company's own shares. The Company utilised 193,660 (2024: 346,896) of the shares during the year to satisfy the exercise of employee share options. At March 2025, there remained 472,804 of the Company's own shares being held by the EBT (2024: 658,800).

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Earnings attributable to ordinary shareholders		
Basic and diluted profit for the period	**16,141**	12,986
Share-based payments - IFRS 2 option charges	**1,503**	1,458
Amortisation of acquisition-related intangible assets	**657**	633
Exceptional costs (note 7)	**-**	1,250
Gain arising on changes in fair value of contingent consideration (note 7)	**-**	(1,350)
Unwinding of discount on contingent consideration (note 9)	**47**	201

Tax impact of adjustments	**(382)**	(770)
Adjusted basic and diluted profits for the period and attributable earnings	**17,966**	14,408
Earnings per share (pence) - Basic	**26.43**	21.39
Earnings per share (pence) - Diluted	**26.21**	21.02
Adjusted earnings per share (pence) - Basic1	**29.42**	23.73
Adjusted earnings per share (pence) - Diluted1	**29.17**	23.32
Adjusted earnings per share (pence) - Fully Diluted1	**28.65**	22.91

1. Alternative performance measures are detailed in note 27.

12 | Dividends

The Directors consider the Group's capital structure and dividend policy at least twice a year ahead of announcing results and do so in the context of its ability to continue as a going concern, to execute its strategy and to invest in opportunities to grow the business and enhance shareholder value. The Company's dividend policy is described in the Directors' Report on page 73 of the 2025 Annual Report. As at 31 March 2025, the Company's distributable reserves were £9,074,000 (2024: £7,761,000).

During the year, Tatton Asset Management plc paid the final dividend related to the year ended 31 March 2024 of £4,740,000, representing a payment of 8.0p per share. During FY24 £6,006,000 was paid as the final dividend related to the year ended 31 March 2023, representing 10.0p per share. In addition, the Company paid an interim dividend of £5,700,000 (2024: £4,841,000) to its equity shareholders. This represents a payment of 9.5p per share (2024: 8.0p per share).

The Directors are proposing a final dividend with respect to the financial year ended 31 March 2025 of 9.5p (2024: 8.0p) per share, which will absorb £5,701,000 (2024: £4,841,000) of shareholders' funds. It will be paid on 31 July 2025 to shareholders who are on the register of members on 20 June 2025.

13 | Staff costs

The staff costs, including Executive Directors, were as follows:

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Wages, salaries and bonuses	**11,304**	9,468
Social security costs	**1,616**	1,161
Pension costs	**445**	361
Share-based payments	**1,503**	1,458
Total employee benefit expense	**14,868**	12,448

The average monthly number of employees (including Executive Directors) during the year was as follows:

	31-Mar 2025	31-Mar 2024
Administration	**110**	101
Key management	**3**	3
	113	104

Key management compensation

The remuneration of the statutory Directors who are the key management of the Group is set out below in aggregate for each of the key categories specified in IAS 24 'Related Party Disclosures'.

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Short-term employee benefits	**3,118**	2,058
Post-employment benefits	**10**	10
Share-based payments	**552**	571
	3,680	2,639

The table above shows the remuneration for both Executive Directors and Non-Executive Directors.

The Group incurred social security costs of £419,000 (2024: £293,000) on the remuneration of the Directors and Non-Executive Directors. Retirement benefits are accruing to one Director (2024: one) under a defined contribution pension scheme. Within the figures above is £10,000 of company contributions paid to a pension scheme in respect of this Director's qualifying services (2024: £10,000).

Dividends totalling £1,883,000 (2024: £2,026,000) were paid in the year with respect to ordinary shares held by the Company's Directors. The aggregate gains made by the Directors on the exercise of share options during the year were £304,600 (2024: £248,250).

The remuneration of individual Directors is provided in the Remuneration Committee Report on pages 68 to 72 of the 2025 Annual Report. These disclosures form part of these financial statements.

The remuneration of the highest paid Director was:

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Total remuneration and benefits in kind	**1,233**	695

The highest paid Director exercised nil share options in the period (2024: nil). There were 110,887 share options granted to the highest paid Director in the year (2024: 20,000). There was £nil (2024: £nil) of money or net assets (other than share options) paid to or receivable by the highest paid Director under long-term incentive schemes in respect of qualifying services. The highest paid Director received £1,599,000 (2024: £1,740,000) in dividends in the year with respect to ordinary shares held by the Director and connected parties. No contributions were made to a defined contribution scheme with respect to the highest paid Director in the period.

14 | Investments in joint ventures

	(£'000)
At 1 April 2024	5,352
Profit for the year after tax	59
Amortisation of intangible assets relating to joint ventures	(207)
Deferred tax credit on amortisation of intangible assets relating to joint ventures	52
Impairment loss	-
Distributions of profit	-
At 31 March 2025	**5,256**

8AM belongs to the Tatton operating segment as disclosed within note 4.

Name of joint venture	Nature of business	Principal place of business	Class of share	Percentage owned by the group
8AM Global Limited	Investment Management	United Kingdom	Ordinary Shares	50.0%
Niche Investment Management Limited	Investment Management	United Kingdom	Ordinary Shares	50.0%
Becketts Wealth Limited	Investment Management	United Kingdom	Ordinary Shares	50.0%

All of the above joint ventures are accounted for using the equity method in these consolidated financial statements, as set out in the Group's accounting policies in note 2.

Summarised financial information in respect of the Group's only material joint venture, 8AM, is set out below.

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Non-current assets	**24**	29
Current assets	**735**	645
Current liabilities	**(161)**	(178)
Total equity	**598**	496
Group's share of net assets	**297**	238
Goodwill and intangible assets	**5,344**	5,551
Deferred tax liability	**(385)**	(437)
Carrying value held by the Group	**5,256**	5,352

Current assets above include £502,000 of cash and cash equivalents (2024: £345,000). There are no current or non-current financial liabilities excluding trade and other payables and provisions included in current liabilities and non-current liabilities.

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Revenue	**1,473**	1,732

Revenue	**1,473**	1,732
Profit for the year	**117**	539
Dividends received	**-**	255
The above profit includes the following:		
Depreciation and amortisation	**5**	7
Interest income	**10**	6
Income tax	**43**	282

There is no interest expense in the year (2024:£nil).

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Joint venture's profit for the year	**117**	539
Group's share profit for the year before adjustments	**59**	269
Amortisation of customer relationship intangible assets	**(207)**	(207)
Impairment loss	**-**	(1,250)
Group's share of loss for the year	**(148)**	(1,188)

8AM Global Limited has a reporting date of 30 June. The net asset position shown in the table above is as at 31 March, to align with the Group's own reporting.

Niche Investment Management Limited and Becketts Wealth Limited both have a reporting date of 31 March, in line with the Group. The Group's interest in all individually immaterial joint ventures accounted for using the equity method is £nil (2024: £nil). The Group's share of profit for the year for these joint ventures is £nil (2024: £nil).

15 | Goodwill

	Goodwill (£'000)
Cost and carrying value at 1 April 2023	9,337
Recognised as part of a business combination	459
Cost and carrying value at 31 March 2024 and 31 March 2025	**9,796**

The carrying value of goodwill includes £9.4m allocated to the Tatton operating segment and CGU. This is made up of £2.5m arising from the acquisition in 2014 of an interest in Tatton Oak Limited by Tatton Capital Limited, consisting of the future synergies and forecast profits of the Tatton Oak business, £2.0m arising from the acquisition in 2017 of an interest in Tatton Capital Group Limited, £1.4m of goodwill generated on the acquisition of Sinfonia, £3.0m of goodwill generated on the acquisition of the Verbatim funds business, and £0.5m of goodwill generated on the acquisition of 56.49% of Fintegrate Financial Solutions Limited in the previous financial year.

The carrying value of goodwill also includes £0.4m allocated to the Paradigm operating segment and CGU relating to the acquisition of Paradigm Mortgage Services LLP.
Goodwill relating to 8AM Global Limited is shown within the Investments in joint ventures (see note 14).

None of the goodwill is expected to be deductible for income tax purposes.

Impairment loss and subsequent reversal

Goodwill is subject to an annual impairment review based on an assessment of the recoverable amount from future trading. Where, in the opinion of the Directors, the recoverable amount from future trading does not support the carrying value of the goodwill relating to a subsidiary company, then an impairment charge is made. Such an impairment is charged to the Statement of Total Comprehensive Income.

Impairment testing

For the purpose of impairment testing, goodwill is allocated to the Group's operating companies that represent the lowest level within the Group at which the goodwill is monitored for internal management accounts purposes. Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs or group of units that are expected to benefit from that business combination. The Directors test goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. The Directors have reviewed the carrying value of goodwill at 31 March 2025 and do not consider it to be impaired.

Growth rates

The value in use is calculated from cash flow projections based on the Group's forecasts for the next five years, ending 31 March 2030. The Group's latest financial forecasts, which cover a five-year period, are reviewed by the Board. A terminal growth rate of 3.5% (2024: 5%) for the Tatton CGU has been applied to year five cash flows. The terminal growth rate is prudent, given the historical growth seen by the Group, and does not exceed the long-term industry average growth rate. A terminal growth rate of 0% has been applied to the Paradigm Mortgage Services LLP CGU that reflects the outer year budget revenue.

Discount rates

The pre-tax discount rate applied to the cash flow forecasts is derived from a weighted average cost of capital model, the inputs for which are externally available. The pre-tax discount rate used to calculate value is 16.9% (2024: 14.4%) and has been used for all CGUs.

Cash flow assumptions

The key assumptions used for the value in use calculations are those regarding discount rate, growth rates, and expected changes in margins. Forecast sales growth rates are based on past experience, which has been adjusted for the strategic direction and near-term investment priorities for each CGU. The Tatton CGU has not budgeted for any market movements and has used an average growth rate of net flows of 12%, which management believe is prudent given the size of the market and historical growth. The Paradigm Mortgage Services LLP CGU has an assumed 9% In year 1, decreasing to 2% growth by year 5.

From the assessment performed, no reasonably possible change in a key assumption would cause the recoverable amount of either the Tatton CGU or the Paradigm Mortgage Services LLP CGU to equal its carrying value.

16 | Intangible assets

	Computer software (£'000)	Client relationships (£'000)	Brand (£'000)	Total (£'000)
Cost				
Balance at 1 April 2023	1,235	4,034	98	5,367
Additions	249	-	-	249
Acquired as part of a business combination	365	-	-	365
Balance at 31 March 2024	1,849	4,034	98	5,981
Additions	437	-	-	437
Balance at 31 March 2025	**2,286**	**4,034**	**98**	**6,418**
Accumulated amortisation and impairment				
Balance at 1 April 2023	(892)	(845)	(15)	(1,752)
Charge for the period	(129)	(404)	(10)	(543)
Balance at 31 March 2024	(1,021)	(1,249)	(25)	(2,295)
Charge for the period	(216)	(404)	(10)	(630)
Balance at 31 March 2025	**(1,237)**	**(1,653)**	**(35)**	**(2,925)**
Net book value				
As at 1 April 2023	343	3,189	83	3,615
As at 31 March 2024	828	2,785	73	3,686
As at 31 March 2025	**1,049**	**2,381**	**63**	**3,493**

All amortisation charges are included within Administrative expenses in the Statement of Total Comprehensive Income.

The Client Relationships and Brand intangibles arose on acquisition of the Sinfonia and Verbatim funds.

Computer software relates to the internally generated software within Tatton Investment Management Limited and Fintegrate Financial Solutions Limited.

17 | Property, plant and equipment

	Computer, office equipment and motor vehicles (£'000)	fixtures and fittings (£'000)	Right-of-use assets - buildings and motor vehicles (£'000)	Total (£'000)
Cost				

Cost				
Balance at 1 April 2023	354	480	991	1,825
Additions	97	18	622	737
Disposals	(104)	-	(689)	(793)
Balance at 31 March 2024	347	498	924	1,769
Additions	58	10	339	407
Disposals	-	-	(302)	(302)
Balance at 31 March 2025	**405**	**508**	**961**	**1,874**
Accumulated depreciation and impairment				
Balance at 1 April 2023	(234)	(398)	(739)	(1,371)
Charge for the period	(86)	(73)	(216)	(375)
Disposals	104	-	689	793
Balance at 31 March 2024	(216)	(471)	(266)	(953)
Charge for the period	(86)	(10)	(195)	(291)
Disposals	-	-	302	302
Balance at 31 March 2025	**(302)**	**(481)**	**(159)**	**(942)**
Net book value				
As at 1 April 2023	120	82	252	454
As at 31 March 2024	131	27	658	816
As at 31 March 2025	**103**	**27**	**802**	**932**

All depreciation charges are included within Administrative expenses in the Statement of Total Comprehensive Income.

The Group leases buildings, motor vehicles, and IT equipment. The Group has applied the practical expedient for short-term leases and so has not recognised IT equipment within ROU assets. The average lease term is five years. One lease expired in the year and a new lease was entered into in its place. The maturity analysis for lease liabilities is shown in note 22. The future lease payments relating to lease liabilities are fixed.

Right-of-use assets

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Amounts recognised in profit and loss		
Depreciation on right-of-use assets	**(195)**	(216)
Interest expense on lease liabilities	**(66)**	(6)
Expense relating to short-term leases	**(67)**	(66)
	(328)	(288)

At 31 March 2025, the Group is committed to £78,000 for short-term leases (2024: £64,000).

The total cash outflow for all leases amounts to £283,000 (2024: £294,000). The cash outflows for the principal portion of lease liabilities and for the interest portion of lease liabilities is shown within financing activities in the Consolidated Statement of Cash Flows. The cash outflows for the payments of short-term leases are shown within Operating activities in the Consolidated Statement of Cash Flows.

18 | Trade and other receivables

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Trade receivables	**312**	878
Accrued income	**3,936**	3,427
Prepayments	**712**	756
Other receivables	**1,578**	235
	6,538	5,296
Less non-current portion:		
Other receivables	**-**	(188)
Total non-current trade and other receivables	**-**	(188)
Total current trade and other receivables	**6,538**	5,108

Trade and other receivables, excluding prepayments, are financial assets. The carrying value of these financial assets are considered a fair approximation of their fair value. Accrued income is made up of contract assets, which are balances due from customers that arise when the Group delivers the service. Payment for services is not due from the customer until the services are complete; therefore, a contract asset is recognised over the period in which the services are performed to represent the entity's right to is recognised over the period in which the services are performed to represent the entity's right to consideration for the services transferred to date. This usually relates to providing one month of investment management service prior to receiving the cash from the customer in the following month.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses ("ECLs") for trade receivables and accrued income at an amount equal to lifetime ECLs. In line with the Group's historical experience, and after consideration of current credit exposures, the Group does not expect to incur any credit losses and has not recognised any ECLs in the current year (2024: £nil).

Within other receivables are three loans that Tatton has granted in the financial year (2024: £nil). The Group applies the IFRS 9 general approach for these receivables. The loans are secured and interest of 4% is being accrued, and is shown within note 8 as Other interest income. The security equals the carrying amount of the loans and, as such, no ECL is recognised.
Trade receivable amounts are all held in sterling.

19 | Trade and other payables

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Trade payables	**478**	328
Amounts due to related parties	**14**	-
Accruals	**7,163**	4,389
Deferred income	**122**	238
Contingent consideration	**420**	903
Lease liabilities	**848**	659
Other payables	**2,844**	2,608
	11,889	9,125
Less non-current portion:		
Contingent consideration	**-**	(402)
Lease liabilities	**(615)**	(567)
Other payables	**(42)**	(47)
Total non-current trade and other payables	**(657)**	(1,016)
Total current trade and other payables	**11,232**	8,109

Trade payables, amounts due to related parties, accruals, lease liabilities, contingent consideration, and other payables are considered financial liabilities. The Directors consider that the carrying amount of trade payables approximates to their fair value.

Within other payables, there is a loan of £33,000 that holds a fixed and floating charge over all present and future property and undertakings of Fintegrate Financial Solutions Limited (2024: £46,000).

Trade payable amounts are all held in sterling.

20 | Deferred tax assets

	Deferred capital allowances (£'000)	Short-term timing differences (£'000)	Share-based payments (£'000)	Acquisition intangibles (£'000)	Total (£'000)
Asset/(liability) at 1 April 2023	(14)	-	2,069	(797)	1,258
Income statement credit/(charge)	(120)	28	101	636	645
Recognised as part of a business combination	-	-	-	(92)	(92)
Equity credit	-	-	760	-	760
Asset/(liability) at 31 March 2024	(134)	28	2,930	(253)	2,571
Income statement credit/(charge)	**(20)**	**62**	**28**	**39**	**109**
Equity credit	**-**	**-**	**203**	**-**	**203**
Asset/(liability) at 31 March 2025	**(154)**	**90**	**3,161**	**(214)**	**2,883**

A deferred tax asset of £248,000 with a temporary timing difference of £993,000 relating to a difference between the carrying value and the tax base of intangibles acquired in Tatton Capital Limited relating to Verbatim has not been recognised, as it is not expected that the temporary difference would reverse in the foreseeable future.

21 | Reconciliation of liabilities arising from financing activities

	1 April	Financing	Additions	Non-	31	**Financing**	**Additions**	**Non-**	**31**

	2023 (£'000)	cash flows (£'000)	(£'000)	cash changes: interest (£'000)	March 2024 (£'000)	**cash flows (£'000)**	**(£'000)**	**cash changes: interest (£'000)**	**March 2025 (£'000)**
Long-term borrowings	-	-	62	-	62	**(23)**	**-**	**2**	**41**
Short-term borrowings	-	(18)	141	3	126	**-**	**-**	**8**	**134**
Lease liabilities	261	(230)	622	6	659	**(216)**	**339**	**66**	**848**
	261	(248)	825	9	847	**(239)**	**339**	**76**	**1,023**

Long-term and short-term borrowings relate to interest-bearing borrowings added on the acquisition of Fintegrate Financial Solutions Limited. These are disclosed within Other payables within note 19.

22 | Financial instruments

The Group's treasury activities are designed to provide suitable, flexible funding arrangements to satisfy the Group's requirements. The Group uses financial instruments comprising borrowings, cash, and items such as trade receivables and payables that arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risks, credit risks, and liquidity risks. The Board reviews policies for managing each of these risks and they are summarised below. The Group finances its operations through a combination of cash resource and other borrowings.

Categories of financial instruments

The financial assets and liabilities of the Group are detailed below:

	At 31 March 2025				At 31 March 2024			
	Amortised cost (£'000)	**Financial liabilities (£'000)**	**FVPL (£'000)**	**Carrying value (£'000)**	Amortised cost (£'000)	Financial liabilities (£'000)	FVPL (£'000)	Carrying value (£'000)
Financial assets								
Financial assets at FVPL	**-**	**-**	**1,133**	**1,133**	-	-	106	106
Trade receivables	**312**	**-**	**-**	**312**	878	-	-	878
Accrued income	**3,936**	**-**	**-**	**3,936**	3,427	-	-	3,427
Other receivables	**1,578**	**-**	**-**	**1,578**	235	-	-	235
Cash and cash equivalents	**32,119**	**-**	**-**	**32,119**	24,838	-	-	24,838
	37,945	**-**	**1,133**	**39,078**	29,378	-	106	29,484
Financial liabilities								
Trade and other payables	**-**	**10,499**	**-**	**10,499**	-	8,228	-	8,228
Contingent consideration	**-**	**-**	**420**	**420**	-	-	903	903
Lease liabilities	**-**	**848**	**-**	**848**	-	659	-	659
	-	**11,347**	**420**	**11,767**	-	8,887	903	9,790

Fair value estimation

IFRS 7 requires the disclosure of fair value measurements of financial instruments according to the level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

All financial assets, except for financial investments, are held at amortised cost and are classified as level 1.

The carrying amount of these financial assets at amortised cost approximate to their fair value. Financial investments are categorised as financial assets at fair value through profit or loss and are classified as level 1, and the fair value is determined directly by reference to published prices in an active market.

Financial assets at fair value through profit or loss (level 1)

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Financial investments in regulated funds or model portfolios	**1,133**	106

The Group launched a new range of passive funds during the financial year and invested £1,000,000 in these funds, which is shown on the Consolidated Statement of Cash Flows. This investment, along with the Group's other investments in regulated funds or model portfolios, are revalued, with changes in fair value being recognised in the Consolidated Statement of Total Comprehensive Income.

All financial liabilities, except for contingent consideration, are categorised as financial liabilities measured at amortised cost and are also classified as level 1. The only financial liabilities measured subsequently at fair value on level 3 fair value measurement represent contingent consideration relating to a business combination.

Contingent consideration has been valued using a discounted cash flow method that was used to capture the present value arising from the contingent consideration.
The unobservable inputs are:

- the risk-adjusted discount rate of 8.7%; and
- the probability-adjusted level of assets under management, which have a range of £283,000,000 to £353,000,000.

Financial liabilities at fair value through profit or loss (level 3)

Contingent consideration	£'000
Balance at 1 April 2023	2,989
Recognition of contingent consideration as part of a business combination	(937)
Unwinding of discount rate	201
Changes in fair value of contingent consideration	(1,350)
Balance at 31 March 2024	903
Contingent consideration paid	(530)
Unwinding of discount rate	47
Balance at 31 March 2025	**420**

The unwinding of the discount rate and the changes in fair value of contingent consideration have been recognised in the Consolidated Statement of Total Comprehensive Income.

During the year, a payment of £530,000 was made relating to the contingent consideration due for acquisition of the Verbatim funds.

The fair value of the remaining contingent consideration for Verbatim was reviewed at 31 March 2025 using a discounted cash flow analysis. The expected cash flows are estimated based on the Group's knowledge of the business and how the current economic environment is likely to impact it.

For Verbatim, the expected change in AUM and resulting cash flows are estimated based on the Group's knowledge of the business and how the current economic environment is likely to impact it. The contingent consideration payable is dependent on the total value of AUM at the payment date compared to the value of AUM at acquisition, £650m. The scenarios used to calculate the deferred payments were updated to include AUM movements to date and management's perception of the likelihood of occurrence.

The unobservable inputs for the Verbatim contingent consideration include the risk-adjusted discount rate of 8.7% (2024: 8.0%) and future AUM of the funds ranging in value up to £353m. If the discount rate were to change by 1%, this would increase/decrease the fair value of contingent consideration by £14,000. If AUM were to be 10% higher or lower, the fair value of contingent consideration would increase/decrease by £61,000.

Interest rate risk

The Group finances its operations through retained profits. The Group's cash and cash equivalents balance of £32,119,000 are the financial instruments subject to variable interest rate risk. The impact of a 1% increase or decrease in interest rate on the post-tax profit is not material to the Group.

Credit risk

Credit risk is the risk that a counterparty will cause a financial loss to the Group by failing to discharge its obligation to the Group. The financial instruments are considered to have a low credit risk, due to the mitigating procedures in place. The Group manages its exposure to this risk by applying Board-approved limits to the amount of credit exposure to any one counterparty, and employs strict minimum creditworthiness criteria as to the choice of counterparty, thereby ensuring that there are no significant concentrations. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The maximum exposure to credit risk for receivables and other financial assets is represented by their carrying amount.

The Group's maximum exposure to credit risk is limited to the carrying amount of its financial assets recognised at the year end date.

The Group continuously monitors the defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with credit-worthy counterparties.
The Group's management consider that all of the above financial assets that are not impaired or past due for each of the 31 March reporting dates under review are of good credit quality.
At 31 March, the Group had certain trade receivables that had not been settled by the contractual date but were not considered to be impaired. The amounts at 31 March, analysed by the length of time past due, are:

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
Not more than 3 months	**256**	814
More than 3 months but not more than 6 months	**47**	42
More than 6 months but not more than 1 year	**5**	14
More than 1 year	**4**	8
Total	**312**	**878**

Trade receivables consist of a large number of customers within the UK. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

The Group has rebutted the presumption in paragraph 5.5.11 of IFRS 9 that credit risk increases significantly when contractual payments are more than 30 days past due, where the Group has reasonable and supportable information that demonstrates otherwise.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high-quality external credit ratings.

Liquidity risk

Liquidity risk is the risk that companies within the Group will encounter difficulty in meeting the obligations associated with financial liabilities. To counter this risk, the Group operates with a high level of interest cover relative to its net asset value. In addition, it benefits from strong cash flow from its normal trading activities.
The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities, as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

At 31 March 2025, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

At 31 March 2025	**Current**		**Non-current**	
	Within 6	**6 to 12**	**1 to 5**	**later**

	months (£'000)	months (£'000)	years (£'000)	than 5 years (£'000)
Trade and other payables	**10,435**	**22**	**42**	**-**
Lease liabilities	**144**	**141**	**721**	**-**
Contingent consideration	**440**	**-**	**-**	**-**
Total	**11,019**	**163**	**763**	**-**

Lease liabilities above totalling £1,006,000 are the undiscounted values of the total lease liability of £848,000 as shown in note 19. Contingent consideration above totalling £440,000 is the undiscounted liability of the contingent consideration of £420,000 as shown in note 19.

This compares with the maturity of the Group's non-derivative financial liabilities in the previous reporting period, as follows:

At 31 March 2024	Current		Non-current	
	Within 6 months (£'000)	6 to 12 months (£'000)	1 to 5 years (£'000)	later than 5 years (£'000)
Trade and other payables	7,259	4	57	5
Lease liabilities	95	56	644	-
Contingent consideration	521	-	451	-
Total	7,875	60	1,152	5

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Market risk

The Group has made investments in its own managed funds and portfolios and the value of these investments is subject to equity market risk, this being the risk that changes in equity prices will affect the Group's income or the value of its holdings of financial instruments. If equity prices had been 5% higher/lower, the impact on the Group's Statement of Comprehensive Income would be £57,000 higher/lower, due to changes in the fair value of financial assets at fair value through profit or loss.

23 | Share capital

	Number of shares
Authorised, called-up, and fully paid £0.20 ordinary shares	
At 1 April 2023	60,055,722
Issue of share capital on exercise of employee share options	455,678
At 31 March 2024	60,511,400
Issue of share capital on exercise of employee share options	37,480
At 31 March 2025	**60,548,880**

Each share in Tatton Asset Management plc carries one vote and the right to a dividend.

24 | Own shares

The following movements in own shares occurred during the year:

	Number of Shares	£'000
At 1 April 2023	-	-
Acquired in the year	658,800	3,278
New share capital issued to EBT	346,896	69
Utilised on exercise of employee share options	(346,896)	(69)
At 31 March 2024	658,800	3,278
Acquired in the year	7,664	50
Utilised on exercise of employee share options	(193,660)	(965)
At 31 March 2025	**472,804**	**2,363**

Own shares represent the cost of the Company's own shares, either purchased in the market or issued by the Company, which are held by an EBT to satisfy future awards under the Group's share-based payment schemes (note 25).

25 | Share-based payments

During the year, a number of share-based payment schemes and share options schemes have been utilised by the Group, described under 25.1 Current schemes.

25.1 Current schemes

(i) Tatton Asset Management plc EMI scheme ("TAM EMI scheme")

In July 2017, the Group launched an EMI share option scheme relating to shares in Tatton Asset Management plc, to enable senior management to participate in the equity of the Company. 3,022,733 options with a weighted average exercise price of £1.89 were granted, exercisable in July 2020. There have been 60,000 (2024: nil) options exercised during the year from this scheme.

The scheme was extended in August 2018, August 2019, July 2020, July 2021, July 2022 and July 2023 with 1,720,138, 193,000, 1,000,000, 279,858, 204,523 zero-cost options granted in each respective year. All option schemes are exercisable on the third anniversary of the grant date, meaning that the 2017, 2018, 2019, 2020 and 2021 schemes are currently exercisable. There have been 2,845 options exercised in the year relating to the 2019 scheme and 55,808 options exercised relating to the 2020 scheme. There were 1,684 options and 1,778 options relating to the 2022 and 2023 schemes respectively that vested early and were subsequently exercised. The options granted in 2021 vested and became exercisable in July 2024. There have been 69,911 options exercised during the period from this scheme. None of these options lapsed in the year. The weighted average share price at the date of exercise for all option exercised in the year was £6.52.

There were 451,346 zero-cost options granted in the current financial year. These options were granted in two tranches, 61,964 options granted in July 2024 and 389,382 options granted in February 2025.

A total of 2,822,301 options remain outstanding at 31 March 2025, 1,941,486 of which are currently exercisable. 6,649 options were forfeited in the period (2024: 64,524). The weighted average contractual life for share options outstanding at the end of the period was 5.29 years (2024: 5.55 years).

The vesting conditions for the scheme are detailed in the Remuneration Committee report on page 71 of the 2025 Annual Report. The weighted average fair value of the options granted during the year was £6.69. Within the accounts of the Group, the fair value at grant date is estimated using the appropriate models, including both the Black-Scholes and Monte Carlo modelling methodologies. Share price volatility has been estimated using the historical share price volatility of the Company. Key valuation assumptions and the costs recognised in the accounts during the period are noted in 25.2 and 25.3, respectively.

	Number of share options granted	Weighted average price (£)
Outstanding at 1 April 2023	2,804,439	0.59
Granted during the period	204,523	-
Exercised during the period	(346,896)	-
Forfeited during the period	(64,524)	-
Lapsed during the period	(27,912)	-
Outstanding at 31 March 2024	2,569,630	0.64
Exercisable at 31 March 2024	1,878,861	0.88
Outstanding at 1 April 2024	2,569,630	0.64
Granted during the period	451,346	-
Exercised during the period	(192,026)	0.59
Forfeited during the period	(6,649)	-
Outstanding at 31 March 2025	**2,822,301**	**0.54**
Exercisable at 31 March 2025	**1,941,486**	**0.79**

(ii) Tatton Asset Management plc Sharesave scheme ("TAM Sharesave scheme")

In July 2020, August 2021, August 2022, August 2023, and August 2024, the Group launched all employee Sharesave schemes for options over shares in Tatton Asset Management plc, with the schemes in the periods 2020 and 2021 being administered by Yorkshire Building Society and the schemes in 2022, 2023, and 2024 being administered by Link Group. Employees are able to save between £10 and £500 per month over the three-year life of each scheme, at which point they each have the option to either acquire shares in the Company or receive the cash saved.

The 2021 TAM Sharesave scheme vested in August 2024 and 37,480 share options became exercisable. Over the life of the 2022 TAM Sharesave scheme, it is estimated that, based on current savings rates, 45,046 share options will be exercisable at an exercise price of £3.26. Over the life of the 2023 TAM Sharesave scheme, it is estimated that, based on current savings rates, 85,569 share options will be exercisable at an exercise price of £3.89. Over the life of the 2024 TAM Sharesave scheme, it is estimated that, based on current savings rates, 30,946 share options will be exercisable at an exercise price of £5.62. 37,480 options were exercised in the year at a weighted average share price at the date of exercise of £7.09. The weighted average contractual life for share options outstanding at the end of the period was 1.49 years (2024: 1.54 years).

The options granted as part of the scheme launched in 2024 have a weighted average fair value of £5.62. Within the accounts of the Group, the fair value at grant date is estimated using the Black-Scholes methodology for 100% of the options. Share price volatility has been estimated using the historical share price volatility of the Company. Key valuation assumptions and the costs recognised in the accounts during the period are noted in 25.2 and 25.3, respectively.

	Number of share options granted	Weighted average price (£)
Outstanding at 1 April 2023	95,095	2.57
Granted during the period	90,473	2.93
Forfeited during the period	(6,810)	3.22
Exercised during the period	(108,781)	2.29
Outstanding at 31 March 2024	69,977	3.53
Exercisable at 31 March 2024	-	-
Outstanding at 1 April 2024	69,977	3.53
Granted during the period	57,372	3.86
Forfeited during the period	(2,710)	3.75
Exercised during the period	(37,480)	3.60
Outstanding at 31 March 2025	**87,159**	**3.71**
Exercisable at 31 March 2025	**-**	**-**

(iii) Fintegrate Financial Solutions Limited Share Option Scheme ("Fintegrate option scheme")

In June 2023 2,250 share options were granted relating to shares in Fintegrate Financial Solutions Limited with an exercise price of £0.00001 and immediately vested. The fair value of the options granted was £26.07, based on comparable share purchase price at the date of vesting.

A further 13,912 options were granted in January 2025 with an exercise price of £0.00001. All options vested and were exercisable in January 2025. The fair value of the options granted was £3.39, based on comparable share prices at the date of vesting.

All options were exercised in February 2025, and therefore no options outstanding or exercisable at 31 March 2025.

There were no vesting conditions associated with the options.

25.2 Valuation assumptions

Assumptions used in the option valuation models to determine the fair value of options at the date of grant were as follows:

	EMI scheme 2024 grant 2	**2024 grant 1**	2023	2022	2021	**Sharesave scheme 2024**	2023	2022	2021
Share price at grant (£)	**6.64**	**7.04**	4.74	4.03	4.60	**7.14**	4.91	4.25	4.80
Exercise price (£)	**-**	**-**	-	-	-	**5.62**	3.89	3.26	3.60
Expected volatility (%)	**33.93**	**34.49**	35.24	34.05	33.76	**34.36**	35.13	34.05	33.76
Expected life (years)	**2.47**	**3.00**	3.00	3.00	3.00	**3.00**	3.00	3.00	3.00
Risk free rate (%)	**3.96**	**3.98**	4.64	1.71	0.24	**3.81**	4.74	1.71	0.12
Expected dividend yield (%)	**2.41**	**2.27**	3.06	3.11	2.39	**2.24**	2.95	3.11	2.39

25.3 IFRS 2 share-based option costs

	31-Mar 2025 (£'000)	31-Mar 2024 (£'000)
TAM EMI scheme	**1,335**	1,376

TAM Sharesave scheme	**62**	82
Fintegrate option scheme	**106**	-
Total	**1,503**	**1,458**

The Consolidated Statement of Cash Flows shows an adjustment to Net cash from operating activities relating to share-based payments of £1,413,000 (2024: £1,236,000). This is a charge in the year of £1,503,000 (2024: £1,458,000) adjusted for cash paid relating to National Insurance contributions on the exercise of share options of £90,000 (2024: £222,000). Of the charge of £1,503,000, £1,081,000 is recognised through equity, with the remaining £422,000 relating to the cost of National Insurance contributions that are not accounted for through equity. Within equity, there is also an additional £129,000 relating to the exercise price received on the exercise of share options, which were satisfied through shares held in the EBT rather than through the issue of new shares.

26 | Related party transactions

Ultimate controlling party

The Directors consider there to be no ultimate controlling party.

Relationships

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The Group has trading relationships with the following entities in which Paul Hogarth, a Director, has a beneficial interest:

Entity	**Nature of transactions**
Suffolk Life Pensions Limited	The Group pays lease rental payments on an office building held in a pension fund by Paul Hogarth.
Hermitage Holdings (Wilmslow) Limited	The Group incurs recharged costs from this entity relating to trading activities.

Related party balances

	Terms and conditions	**2025 Value of cost (£'000)**	**Balance payable (£'000)**	2024 Value of cost (£'000)	Balance payable (£'000)
Suffolk Life Pensions Limited	Payable in advance	**(61)**	**(15)**	(47)	(15)
Hermitage Holdings (Wilmslow) Limited	Repayment on demand	**-**	**-**	(12)	-

Balances with related parties are non-interest-bearing.

Key management personnel remuneration

Key management includes Executive and Non-Executive Directors. The compensation paid or payable to key management personnel is as disclosed in note 13.

27 | Alternative performance measures

The Group has identified and defined certain measures that it uses to understand and manage its performance. The measures are not defined under IFRS and are not considered to be a substitute for or superior to IFRS measures, but management believe that these Alternative Performance Measures ("APMs") provide stakeholders with additional helpful information and enable an alternative comparison of performance over time. The APMs should not be viewed in isolation, but as supplementary information. APMs may not be comparable with similarly titled measures presented by other companies.

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

APM	Closest equivalent measure	Reconciling items to their statutory measure	Definition and purpose
Adjusted operating profit	Operating profit	Items in note (a) below	The reconciliation between Operating profit and adjusted operating profit can be seen on the face of the Consolidated Statement of Total Comprehensive Income. See note 7 for the value of the adjusting items.

APM	Closest equivalent statutory measure	Reconciling items to their statutory measure	Definition and purpose
			This is a key management incentive metric.
Adjusted operating profit margin	Operating profit margin	Items in note (a) below	Adjusted operating profit divided by revenue to report the margin delivered. Progression in the adjusted operating margin is an indicator of the Group's operating efficiency. See note 7 for the value of the adjusting items.
Cash generated from operations before exceptional items	Cash generated from operations	Cash flows from exceptional items	Cash generated from operations is adjusted to exclude cash flows from exceptional items. The reconciliation between cash generated from operations and Cash generated from operations before exceptional items can be seen on the Statement of Cash Flows, when relevant. This is a measure of the cash generation and working capital efficiency of the Group's operations and is a key management performance measure.
Adjusted earnings per share - Basic	Earnings per share - Basic	Items in note (b) below	Profit after tax attributable to shareholders of the Company is adjusted to exclude separately disclosed items, as detailed in note 11, and is divided by the same denominator as Basic EPS; this being the weighted average number of ordinary shares in issue. Adjusted EPS - Basic is presented to reflect the impact of the separately disclosed items included in adjusted operating profit.
Adjusted earnings per share - Fully Diluted	Earnings per share - Diluted	Items in note (b) below	Profit after tax is adjusted to exclude separately disclosed items, as detailed in note 11, and is divided by the total number of dilutive shares, assuming that all contingently issuable shares will fully vest. The reconciliation and calculation of Adjusted EPS - Diluted is shown in note 11. Adjusted EPS - Fully Diluted is presented to reflect the impact of the separately disclosed items included in Adjusted operating profit and to include all shares that are contingently issuable, assuming that share options fully vest. This is a key management incentive metric.
Tatton - assets under management ("AUM") and net inflows	None	Not applicable	AUM is representative of the customer assets and is a measure of the value of the customer base. Movements in this base are an indication of performance in the year and growth of the business to generate revenue going forward. Net inflows measure the net of inflows and outflows of customer assets in the year. Net inflows are a key management incentive metric.
Tatton - assets under influence ("AUI")	None	Not applicable	AUI is representative of the customer assets that are not directly managed by Tatton but over which we hold influence, due to our shareholding in the company in which they are managed, and is a measure of the value of the customer base. Movements in this base are an indication of our participation in the joint venture and its growth, in order to generate Tatton's share of profits going forward.
Tatton firms	None	Not applicable	Alternative growth measure to revenue; provides an operational view of growth in the Tatton division.
Paradigm - Consulting members, Mortgages lending and member firms	None	Not applicable	Alternative growth measure to revenue; provides an operational view of growth in the Paradigm division, which is supported by two main service lines: Consulting and Mortgages.
Return on capital employed ("ROCE")	None	Not applicable	ROCE is calculated as the annual adjusted operating profit for the last twelve months, as shown on the Consolidated Statement of Total Comprehensive Income, expressed as a percentage of the average total assets less current liabilities. The denominator for 2025 is £47.8m (2024: £44.2m). ROCE measures how effectively we have deployed our resources and how efficiently we apply our capital.

(a) Reconciling items include: Exceptional items, share-based payments, changes in the fair value of contingent consideration, amortisation of acquisition-related intangibles, and operating loss relating to non-controlling interest.

(b) Reconciling items include: Exceptional items, share-based payments, changes in the fair value of contingent consideration, amortisation of acquisition-related items, unwinding of discount on contingent consideration, and the tax thereon.

28 | Post balance sheet events

There have been no post balance sheet events.

29 | Capital commitments

At 31 March 2025, the Directors confirmed there were no capital commitments (2024: none) for capital improvements.

30 | Contingent liabilities

At 31 March 2025, the Directors confirmed there were no contingent liabilities (2024: none).