Alpha
Financial Markets Consulting

The power of our people

Annual Report & Accounts 2024

Welcome to Alpha's 2024 Annual Report and Accounts

Headquartered in the UK and quoted on the Alternative Investment Market of the London Stock Exchange, Alpha Financial Markets Consulting[1] is a leading global consultancy to the financial services industry.

Alpha combines highly specialist, sector-focused management consulting and technology expertise to support the client transformation lifecycle. It has 1,000 consultants globally, operating from 17 client-facing offices[2] spanning the UK, North America, Europe and APAC.

For more information, see the website: alphafmc.com/investors

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Visit us online to see Alpha's Sustainability Report

1 Alpha Financial Markets Consulting plc: "Alpha", the "Company", the "Group".
2 The Group uses "office" to refer to a client-facing office location; that is, if there are multiple offices in one location, they will be counted as one office.

Financial highlights[3]

Revenue

£235.5m

(FY 23: £228.7m)

Resilient trading performance in a more competitive market environment; maintaining consistent consultant day rates overall, albeit at lower average utilisation, particularly over the Q2 summer months

Gross profit

£78.3m

(FY 23: £80.4m)

Gross profit reflects lower average consultant utilisation and selective investment in Alpha's growing teams, while actively managing variable costs

Adjusted[4] EBITDA

£42.2m

(FY 23: £46.6m)

Adjusted EBITDA reflects gross profit and appropriately managed costs

Net cash

£29.4m

(FY 23: £59.2m)

Healthy net cash position and undrawn £50.0m revolving credit facility provides further funding flexibility

Operational highlights

Consultants[5]

1,000

(FY 23: 994)

Alpha continues to attract the highest calibre consultants globally and has invested selectively for future growth

Directors[6]

116

(FY 23: 101)

Continued growth of the global director team, adding further senior talent and expertise to the Group

New client relationships

146

(FY 23: 156)

Reflects robust demand, spanning all the Group's global businesses

Acquisitions

1

(FY 23: –)

Bolt-on acquisition of Shoreline[7] consolidates Alpha's APAC presence

3 All financial and operating highlights relate to the year ended 31 March 2024 ("FY 24") and the comparative year is to 31 March 2023 ("FY 23") unless otherwise specified. All rounding and percentage change calculations are from the basis of the financial statements in £'000s.
4 The Group uses alternative performance measures ("APMs") to provide stakeholders further metrics to aid understanding of the underlying trading performance of the Group. These measures exclude certain costs including acquisition and integration costs, earn-out and deferred consideration costs, restructuring costs and share-based payment charges. Refer to the Chief Financial Officer's Report and note 4 for further details.
5 "Consultants" and "headcount" refer to fee-earning consultants at the year end: employed consultants plus utilised contractors in client-facing roles.
6 "Directors" refers to fee-generating directors at the year end. All director increases are presented as net. Alpha is progressively updating the director title to "partner" in some teams to better align to their roles in the consulting markets.
7 "Shoreline" refers to Shoreline Consulting Pty Ltd, Shoreline Consolidated Pty Ltd and subsidiaries acquired by Alpha on 1 May 2023.

Strategic Report

"Alpha is head and shoulders above the competition when it comes to knowledge of the asset management space."

Director,
Global asset manager

At a glance

Why we do what we do

Our purpose
To deliver outstanding outcomes for all our stakeholders: helping our clients to make the most of the opportunities in their markets; providing our people the best corporate experience possible; building a profitable and sustainable business for our investors; and creating a positive impact on our communities.

Our vision
To be the best consulting firm in all the sectors in which we operate.

How we do it

Attracting, retaining and developing **the best talent** in the market
+
Developing highly focused sector propositions with **the best expertise**
+
Nurturing **the best culture** that places people at the heart of the business
+
Prioritising delivery excellence and **the best service** for all our clients

What we do

Alpha is a leading consultancy to the asset and wealth management, alternatives and insurance sectors. We support the client transformation lifecycle by providing management consulting and complementary technology services that are highly focused on the sectors in which we operate.

We bring together the specialist industry knowledge, deep expertise and outstanding focus on delivery excellence of our global teams to help clients think smarter and shape their businesses for the future.

Management consulting
Our management consulting teams are experts in the asset and wealth management, alternatives and insurance sectors. Their goal is to help client organisations make the most of the opportunities facing them in a rapidly changing financial services landscape of regulatory change, fee pressure, growth in assets and insurance policies, and client and societal expectations. Our consultants help clients work more effectively when requirements are new or more complicated, and excel against strong competition.

+

Technology consulting
Our technology consulting teams have unrivalled knowledge of and expertise in the technology platforms and models used in the investment sectors. They support clients in leveraging technology breakthroughs, and delivering high quality business value through technology solutions, implementations and software. Against an ever-changing backdrop of new technology, digitisation and automation choices, we help our clients deliver relevant outcomes that protect, optimise and deliver positive results.

Our strategy

1 **Scale up and broaden the Group's client proposition**

2 **Roll out the client proposition globally**

3 **Make selective acquisitions**

Our global story

First we:
- Became known to our clients for the high quality of our team.
- Focused on outsourcing, operational change and M&A integration, with emerging distribution and investments capabilities.

Then we:
- Capitalised on our reputation for market-leading consulting advice.
- Continued to develop consulting solutions across the asset and wealth management chain.

We have:
- Established a global capability and reputation for delivering some of the most challenging and complex projects in the industry.
- Committed to a growth strategy that involves expanding the business organically, including into the insurance sector, and through highly complementary acquisitions.

We will:
- Continue to build scale both globally and across a range of existing markets by growing and differentiating the service offering.
- Pursue with momentum our objective to be recognised as the leading consultancy to the asset management, wealth management, alternatives and insurance industries globally – and, ultimately, across financial services worldwide.

North America
350+ consultants

New York (2009)
Boston (2015)
Toronto (2019)
Denver (2021)
San Francisco (2021)

UK[8]
380+ consultants

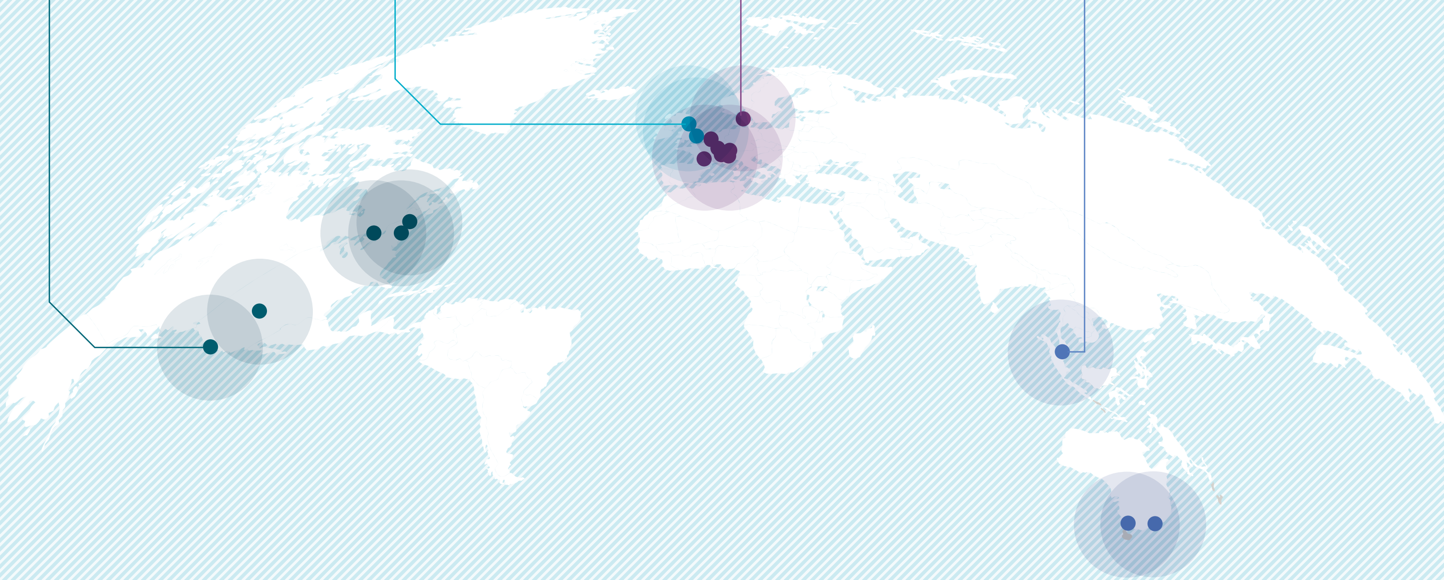
London (2003)
Edinburgh (2016)

Europe
190+ consultants

Luxembourg (2008)
Paris (2010)
Amsterdam (2015)
Geneva (2017)
Zurich (2019)
Copenhagen (2019)
Frankfurt (2021)

APAC
60+ consultants

Singapore (2017)
Sydney (2021)
Melbourne (2023)



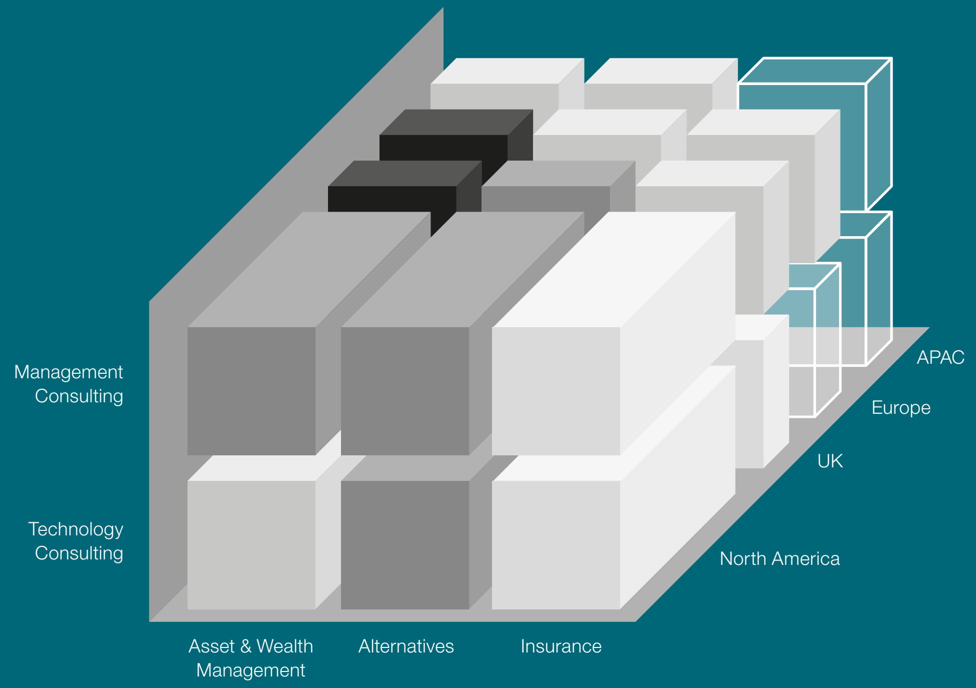
8 After the year end, Alpha has launched a branch in Abu Dhabi, which will initially be overseen by and form part of the UK business.

Building on our success

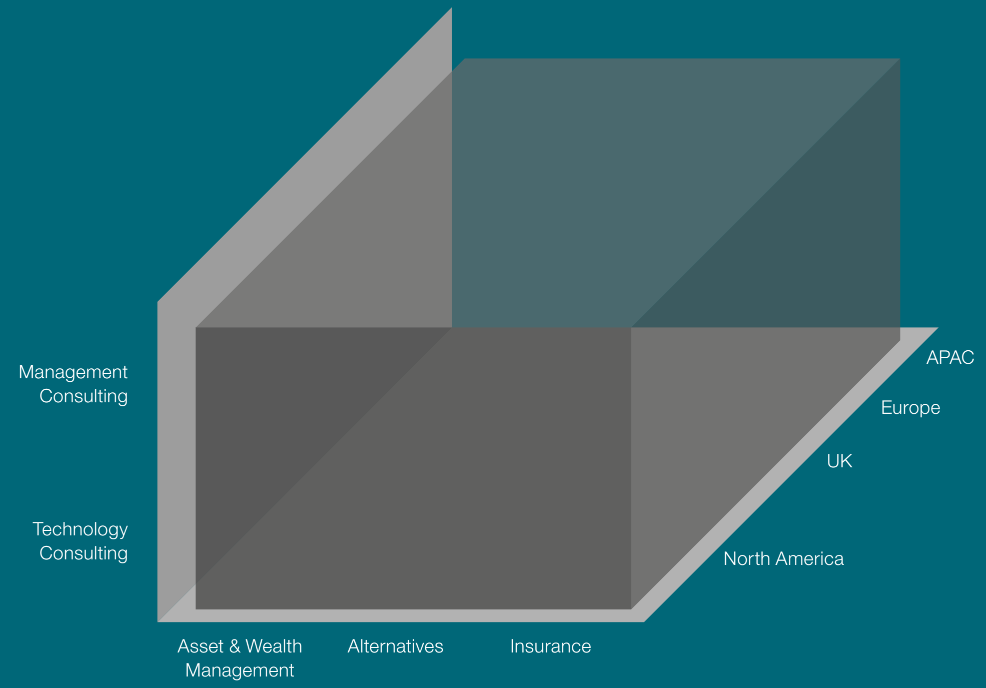
> "At Alpha, we are focused on building a platform for long-term success and delivering outstanding outcomes for all our stakeholders."
>
> **Luc Baqué**
> Chief Executive Officer

Alpha is launched

Alpha today



Our focus for the next four years



Maturity key: Target markets → Inception → Scale-up → Established → Leading

Alpha's history

2003
Alpha is founded in London as a provider of specialist consultancy services to the asset management industry.

2008
Europe presence is established, with the opening of the Luxembourg office.

2009
US presence is established, with the opening of the New York office.

2013
First private equity investment in Alpha by Baird Capital.

2014
Creation of Alpha's first Technology Services practice in the UK.

2015
Alpha's Diversity & Inclusion programme is launched.

2016
Investment in Alpha by Dunedin, with Baird Capital exiting in full. Alpha has c. 200 consultants across seven offices.

2017
APAC presence is established, with the opening of the Singapore office.

Alpha acquires its first complementary business in TrackTwo, which becomes part of Aiviq.

Successful AIM admission with a market capitalisation of £160m. Alpha has c. 300 consultants across nine offices.

2019
Creation of the Pensions & Retail Investments practice: the start of Alpha's expansion into insurance consulting.

Alpha acquires two more businesses: Axxsys, technology specialists for investment management clients; and Obsidian, expanding the Aiviq solutions suite.

2021
Acquisition of Lionpoint, extending Alpha's alternatives capabilities and increasing the global footprint, particularly in North America.

2023
Acquisition of Shoreline, a leading APAC-based consultancy.

Alpha celebrates 20 years since it was founded in the UK as a single-boutique management consultancy to the asset management sector.

2024
Alpha continues to grow, reporting revenue growth to £235.5m.

Investment case

Six reasons to invest in Alpha:

A strong track record

We have a long history of achieving strong growth in net fee income, cash generation and profitability thanks to our market-leading consultancy expertise and successful business model. This has generated attractive returns for our shareholders since the Group's AIM admission in October 2017.

23.5%
net fee income CAGR since AIM admission

The best talent

We attract, develop and retain the highest calibre consultants thanks to our competitive compensation framework, strong corporate culture and commitment to learning and career development. This allows us to achieve rapid organic growth with low rates of attrition.

227.9%
increase in consultants since AIM admission

The best expertise

We are highly specialised in the financial services sectors that we focus on, unlike many of our competitors. Alpha's experienced, expert director team has demonstrated an incredible track record of anticipating our client needs and developing our proposition to best serve them.

329.6%
increase in directors since AIM admission

The best culture

A very strong people culture creates an environment in which Alpha's employees feel passionate about their work, their colleagues, their communities and serving clients to the best of our collective ability.

The best service

We have a reputation for delivering complex and challenging projects to the highest standards. Our record of delivery brings new client relationships, significant repeat business and cross-selling opportunities, which help drive market share gains.

309.5%
increase in clients since AIM admission

The growth opportunity

The global asset and wealth management, alternative investments, and insurance markets that we service are expected to continue to grow strongly. They remain subject to long-term trends such as growth in assets and insurance policies, regulatory demand, cost pressures, client and societal expectations and technology breakthroughs, which underpin clients' needs for support with their advisory, change, implementation and technology projects.

2X
aim to double the business again by 2028[9]

9 The statement that the Alpha Group's growth plan has an ambition to double the size of its business by 2028 is aspirational only and should not be construed as a profit forecast within the meaning of the Takeover Code. There can be no certainty that Alpha will achieve its ambition, which is subject to various assumptions, risks and uncertainties that could cause Alpha's growth to differ materially from its expressed ambition.

Chairman's report

Ken Fry
Chairman

> "Alpha's resilient performance in a challenging market environment over the past year is a testament to its business model, leading expertise and compelling client proposition."

Having consistently achieved growth since AIM admission in 2017, the Group experienced increased competition in the global consulting market and a lengthened sales cycle in FY 24. Against this backdrop, Group net fee income increased 2.8% and 4.8% on a constant currency basis. Client wins and trading have incrementally improved in recent months with consultant utilisation approaching near target levels by the end of the year, and maintained at this level into the early part of FY 25. The Board views this as a resilient performance within the broader market landscape, reflecting the Group's robust business model, leading expertise and strong proposition.

Alpha's multi-boutique model, with its cross-selling framework across regions and sectors, and collaboration between management and technology consulting, is a key part of Alpha's growth strategy. The Group continued to invest selectively in the foundations that support this growth agenda and made progress in a number of key areas in the year.

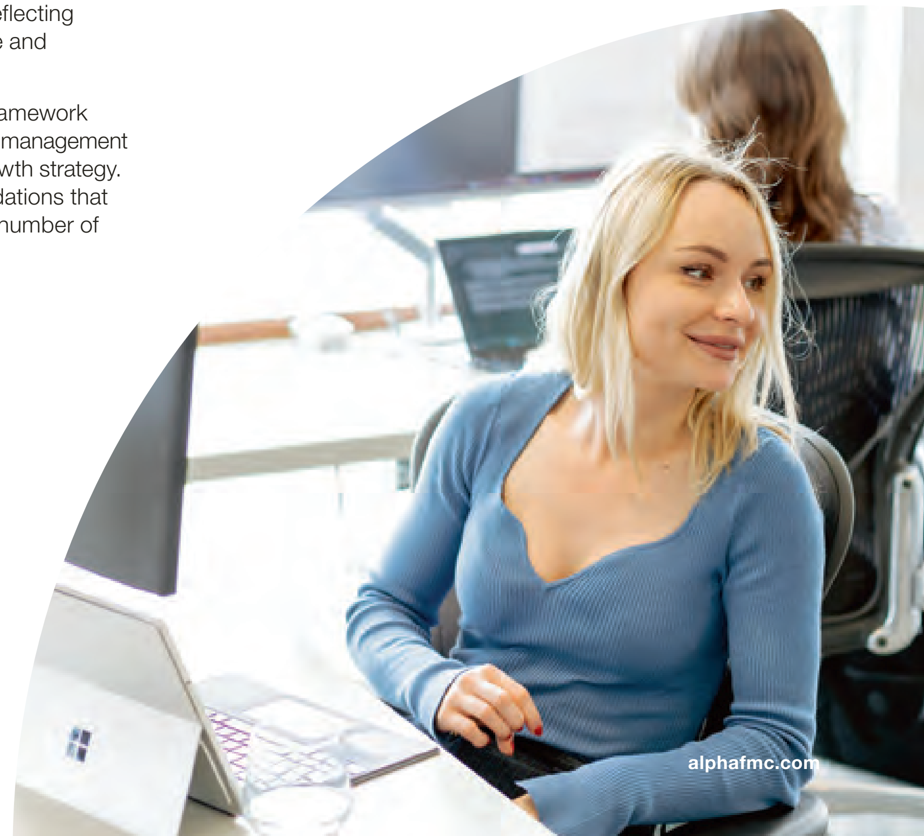
The Group broadened and deepened its proposition, which will support the future scaling of the business. This included selective hires or internal promotions in all regions, key hires to further establish our insurance consulting offering in North America, and completing the acquisition of Shoreline to consolidate our offering in the APAC region.

Scaling up and rolling out our newer businesses, including alternatives and insurance consulting continues to be one of our growth pillars as we aim to meet our 2028[9] strategic target. Our Alternatives business, Lionpoint, saw increased demand across all regions, particularly in North America, growing the client base with 55 new client wins. North America remains a very exciting, strategic growth region for the Group and we grew headcount by 15 overall.

We continue to enhance and diversify our sector-specific offerings, in line with client demand and needs. We are proud that the Alpha offering now embeds Technology Consulting and a software business, in Aiviq, which adds depth to our delivery and cross-sell opportunity. To capitalise on the technology opportunities that we see in all our markets, both for standalone technology services projects and as part of major change programmes, we formalised a number of technology lead roles in our asset & wealth management and insurance consulting teams.

The Group ended the year well positioned, with a healthy net cash position of £29.4m (FY 23: £59.2m).

Since Alpha began over 20 years ago, it has been our outstanding staff that has helped establish and earn a global reputation for delivering challenging and complex projects to the highest standards. This year has been no exception and I want to take this opportunity to thank Alpha's people for their unwavering focus and excellent contributions in a challenging period. We believe that there are very exciting opportunities ahead for Alpha, with such a strong group of consultants and a culture that encourages and celebrates success for everyone.



"We believe that there are very exciting opportunities ahead for Alpha, with such a strong group of consultants and a culture that encourages and celebrates success for everyone."

Governance and the Board

The Board is dedicated to upholding the highest standards of corporate governance. We consider business ethics, integrity, and strong governance fundamental to reducing risk and securing long-term shareholder value. In recognition of the crucial role the Board has in overseeing and advancing the Group's ESG[10] efforts, the ESG Committee was formally established in the period, under the guidance of Jill May as Chair.

The ESG Committee's role is to maintain oversight of Alpha's ESG agenda, ensuring that the Group complies with regulatory requirements, meets the expectations of its stakeholders and positions the Group for long-term sustainable success. The Board intends to stay actively engaged with ESG across all relevant topics as they evolve and, to this end, we commenced a schedule of Board training, emphasising current and emerging areas of responsibility across all ESG-related topics.

For the first time this year, Alpha is publishing metrics and information under the Task Force on Climate-related Financial Disclosures ("TCFD"). We have also published our first dedicated Sustainability Report, which sets out the Group's ESG progress to date, vision and roadmap. The report covers our focus on diversity and social responsibility, strong governance, and playing our part in protecting the environment. The Board is fully supportive of Alpha's first public diversity target and its ambition to identify and progress actions that foster inclusion and increase diversity across the Group. The enhanced disclosures and our ESG strategy provide us with the frameworks necessary for long-term sustainable growth.

The Board is committed to engaging with shareholders and understanding their expectations. To this end, we were pleased to have completed a consultation with investors regarding Alpha's FY 25 Remuneration Policy and have incorporated their feedback accordingly.

Dividend

In view of the recommended cash offer to acquire Alpha by Actium Bidco (UK) Limited ("Bidco"), a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint Advisers Limited ("Bridgepoint"), the Board is not recommending a final dividend. If the acquisition does not complete, it is expected that the Board would declare a final dividend in respect of FY 24 at a later date.

Outlook

Although some challenges in the market environment remain, the Group saw an uptick in client wins and consultant utilisation in the last quarter of FY 24, with utilisation levels maintained into the start of FY 25. Long-term demand for our services remains robust and is underpinned by ongoing structural drivers: growth in assets under management and insurance policies, regulatory demand, cost pressures, client and societal expectations and technology breakthroughs.

With a strong and high quality sales pipeline, a compelling client proposition, market-leading consultants and clear strategic objectives, the Board remains confident in the Group's prospects.

Ken Fry
Chairman
20 June 2024

10 ESG refers to environment, social and governance matters and efforts.

The power of our people

The best culture

Employee insight

Alpha's community and culture are based on mutual respect for our colleagues, their knowledge, experience and ambitions, and are underpinned by an innate desire to create successful outcomes for our clients.

This means that we have a head start with teams who enjoy collaborating and growing together, whilst delivering exciting change to the industry. However, our culture goes far beyond just being a cohesive team. Alpha also fosters an environment which celebrates personal and Group successes whilst untiringly providing the necessary support to promote personal growth.

Despite growing at a phenomenal rate over the last years, our leadership team has protected the core pillars that contribute to our 'one-team' structure, creating a sense of shared responsibility in our own collective success, as well as our clients' successes. We see this translating into teams that are passionate about not only their own work and achievements but also colleagues and the wider business, be that across geographies or business lines.

Our local management structures have individuals responsible for initiatives that support all corners of our culture framework, from our social calendar and CSR initiatives, through to our working environment. In my role as Culture lead on the UK Management Committee, I work alongside our designated People and Recruitment leads who are responsible for key supporting aspects, such as wellbeing and inclusion, which helps create and sustain a multi-faceted culture.

Caoimhe Munif
Culture Management Committee Lead,
Asset & Wealth Management Consulting UK

Read more about our community and culture in the looking after our people section on p. 36

Chief Executive Officer's report

Luc Baqué
Chief Executive Officer

> "FY 24 has presented a challenging backdrop with increased competition in the global consulting market. The Group has navigated these conditions well and delivered a resilient performance that reflects the underlying strength of the business model, Alpha's service proposition and highly talented consultants."

As previously reported, the Group saw increased competition in FY 24 due to overcapacity in the global consulting market. Alpha navigated this period well, ending the year with consultant utilisation at close to target levels. This resilient performance reflects the strength of our business model and the expertise of our people in addressing clients' needs and challenges, even during more uncertain periods.

While the sales cycle remains longer as the supply and demand dynamics continue to rebalance, the drivers for clients seeking Alpha's services remain prevalent, which is evidenced by our healthy global sales pipeline.

Despite the more challenging environment in FY 24, the strategic growth pillars that underpin our ambition remain consistent: further expansion in North America, the global scale-up and roll-out of Alpha's propositions, including alternatives and insurance consulting, and selective acquisitions.

The year in review

The Group achieved modest growth in net fee income, reflecting the resilience of the business model despite challenging market conditions. Throughout the year, the Group actively managed its cost base alongside utilisation and day rates, and continued to build its pipeline of new business opportunities.

Market demand levels were slower to recover than first anticipated, and our actions to manage the business through this environment included a limited number of redundancies to support affected areas of the business. This was a very difficult decision, however it was one that we felt was commensurate with the levels of demand, and key to achieving more normal levels of utilisation and profitability.

As market conditions continued to rebalance, consultant utilisation rates improved through the final quarter, ending the year at close to target levels albeit FY 24 margins remained lower than historical levels overall. Gross profit was £78.3m (FY 23: £80.4m) reflecting lower average consultant utilisation, while maintaining consistent day rates and actively managing variable costs.

	12 months to 31 March 2024	12 months to 31 March 2023	Change
Net fee income			
UK	£91.2m	£87.1m	4.7%
North America	£90.5m	£91.1m	(0.6%)
Europe & APAC	£51.9m	£49.0m	6.1%
Year-end totals	**£233.6m**	**£227.2m**	**2.8%**

	12 months to 31 March 2024	12 months to 31 March 2023	Change
Gross profit			
UK	£33.0m	£35.0m	(5.8%)
North America	£28.3m	£30.0m	(5.6%)
Europe & APAC	£17.0m	£15.4m	10.6%
Year-end totals	**£78.3m**	**£80.4m**	**(2.6%)**

The UK region, which continues to attract clients and maintains a leading reputation, generated 4.7% organic net fee income growth to £91.2m (FY 23: £87.1m). The reduced gross profit margin of 36.2% (FY 23: 40.2%) reflects lower average consultant utilisation, partly offset by reduced variable costs and consistent consultant day rates on the previous year. During the year, we made selective hires as we invested for current demand and future growth. In addition to maintaining our graduate programme, which is a source of future talent, we were pleased to make a number of key director appointments. These included adding three experienced directors to support Alpha UK's wealth sector proposition, where we are working with many of the UK's top tier wealth managers and private banks.

Alpha's strategy includes rolling out its proposition to new clients and locations. After the year end, Alpha has launched a branch in Abu Dhabi, which is overseen by and will initially form part of the UK business. Abu Dhabi is an important financial centre, and this branch provides access to an area that is growing and transforming rapidly. We are delighted that our offering, including our investments proposition and technology services, is already resonating well and attracting demand.

North America net fee income was £90.5m (FY 23: £91.1m) and up 3.8% on a constant currency basis. This resilient performance in a competitive market environment follows more than 50% average annual organic growth in the previous three years.

A key pillar of our growth strategy, we continued to invest in our services and people in this very sizeable market, broadening and deepening our existing relationships and expanding our client base. We added 58 new clients in the region in FY 24, and at the year end the North America team had 357 consultants (FY 23: 342). We are pleased that our proposition there, which now encompasses three sectors (asset and wealth management, alternatives and insurance), is resonating so well and we are proud that Alpha has again ranked in "America's Best Management Consulting Firms" by Forbes and Statista. We remain confident in the significant market opportunity of North America, which is over eight[11] times the size of the UK.

Europe & APAC delivered net fee income growth of 6.1% to £51.9m (FY 23: £49.0m), of which 1.4% was organic. In line with our acquisition strategy, we welcomed Shoreline to the Group at the start of the year. With the integration complete, this boutique asset and wealth management consultancy reinforces our position in the APAC region. In Europe, we now have offices in seven financial centres and we were delighted to have been selected as a "#1 Consulting Firm" in asset management in France by Décideurs Magazine in the year. Across Europe & APAC, we continue to see a very strong opportunity for Alpha's combined proposition of management and technology consulting.

Alpha has continued to make progress on its strategic growth objectives, further cementing its position as a leading provider of specialist consulting services within the financial services industry. We have grown our global client base across the sectors that we service. Our global model, expertise and the alignment of our practices to our clients' sectors and core functions have again enabled us to deliver some of the most complex, challenging and defining projects in the industry.

Lionpoint, our alternatives consulting business, experienced another year of steady growth as our expertise and capabilities continue to resonate with private equity, credit, infrastructure, real estate and fund of funds clients. Traditional asset managers also continue to seek to expand their books of alternative investments, which brings a need for technology investment and operating model consolidation. Joint-offer opportunities between Lionpoint and our Asset & Wealth Management Consulting team therefore represent a significant driver for future growth.

Insurance consulting remains a strategic growth pillar for Alpha and we were delighted to complete on a goal to launch in the US in FY 24, appointing two senior directors to spearhead progress in that region. Both individuals have extensive industry experience and established networks, which we will leverage to establish the brand. In Europe, Alpha's insurance consulting business added new clients, reinforced its capabilities and expanded its team of deep sector experts.

#1 Consulting Firm in asset management in France, Décideurs Magazine

We have continued to develop and align the Group's technology consulting capabilities and solutions with our management consulting proposition for each sector: asset and wealth management, alternatives and insurance. Our technology solutions and delivery teams possess unrivalled knowledge and expertise in the technology platforms and models utilised in those sectors, and we are delivering important strategic outcomes for our clients, focused on cost reduction, management insights, automation and efficiency, and scale-up.

Acquisitions

We were pleased to complete the acquisition of Shoreline in May 2023 to consolidate our offering in the APAC region. Selective acquisitions remain a strategic growth pillar for Alpha and we continue to review potential acquisition opportunities. Outline heads of terms have been agreed recently with two small bolt-on opportunities, which are currently subject to ongoing due diligence.

Financial performance summary

Group net fee income increased 2.8% to £233.6m (FY 23: £227.2m), mainly organically and 4.8% on a constant currency basis.

Lower consultant utilisation and rising costs across a larger team, partly offset by reduced variable costs, resulted in reduced adjusted EBITDA on the previous year of £42.2m (FY 23: £46.6m) at an adjusted EBITDA margin of 18.0% (FY 23: 20.5%). The Group delivered a slightly improved margin in H2 compared to the first half as the market continues to rebalance supply and demand dynamics.

Adjusted profit before tax was £38.5m (FY 23: £44.0m), and adjusted earnings per share ("EPS") was 24.90p (FY 23: 29.27p).

On a statutory basis, revenue increased 3.0% to £235.5m (FY 23: £228.7m), operating profit decreased to £25.1m (FY 23: £28.6m) and profit before tax was £22.6m (FY 23: £25.8m). Basic EPS was 13.85p (FY 23: 15.82p).

The Group ends the period with increased sales wins and a strong pipeline of new business opportunities. This resilient performance, in the context of the competitive market conditions in FY 24, demonstrates the strength of Alpha's business model and client proposition. The Chief Financial Officer's report provides further information about the financial performance of the last 12 months.

Our people

As Alpha celebrated its 20th anniversary this financial year, we take pride in our team and our achievements. Alpha started life as a single sector consultancy in the UK. The Group now includes 1,000 consultants, in addition to its business operations staff, with offices in a number of locations across the globe.

In 20 years, one thing has remained consistent about Alpha's success: our people.

11 Thinking Ahead Institute and Pensions & Investments, "The world's largest 500 asset managers" (October 2023).

Strategic Report
Chief Executive Officer's report continued

Our people *continued*

Our clients recognise the quality of our people and their exclusive sector-specific focus. It helps to define our proposition, but what makes us stand out as a market-leading consulting firm is our global teams' unrelenting attention to delivering projects to the very highest standards. This has always been reflected in the high levels of repeat business and growth of our client base, and was evidenced by over 90% of revenue in the year being generated by existing clients. I am proud of Alpha's people every year, but this year has been exceptional for its challenges and I am particularly grateful for the focus on solving clients' needs and delivery excellence shown in this difficult market environment.

While we focus on identifying and attracting the right people to Alpha, it is also important that we can retain, nurture and develop the best consulting talent in the market. We constantly strive to ensure that we foster an inclusive and meritocratic culture that offers opportunities for progression and success, aided by a robust support system. We were delighted to have been nominated and to have won a place in the Top 10 Best Large Companies to Work For and as a Top 5 Consultancy to Work For by Best Companies, a leading employee engagement specialist in the UK.

While in the last 12 months we have approached hiring selectively, reflecting the wider market environment, we are pleased to have grown our headcount of global consultants to 1,000 (FY 23: 994). We made 15 director appointments, including both strategic additions in all our regions and internal promotions, underscoring our ongoing investment in talent development and progression.

	As at 31 March 2024	As at 31 March 2023	Change
Consultant headcount			
UK	385	394	(2.3%)
North America	357	342	4.4%
Europe & APAC	258	258	—
Year-end totals	**1,000**	**994**	**0.6%**

Sustainable growth

At Alpha, we are focused on building a platform for long-term success and delivering outstanding outcomes for all our stakeholders. We nurture and safeguard a strong sustainability culture, which for us means commitments to diversity and inclusion, community impact work and our actions to address climate change.

Top 10 Best Large Companies to Work For award

In the last year, we have continued to develop our ESG frameworks and reporting disclosures. We recently published our first dedicated Sustainability Report, which explains Alpha's position and objectives, and the governance we use to apply and monitor them. I encourage you to read it to understand more about our focus on diversity and social responsibility, strong governance, and the part we want to play in the environment and combating climate change.

Diversity and inclusion is one of the most important focus areas for Alpha, now and as we grow the business. We can be a better employer and a better partner for our clients through the diversity of perspectives that our people bring, and we are on a journey to improving the diversity of our teams globally. We were delighted to announce our first public diversity target this year, for 25% of the global director team to be women or nonbinary in five years' time.

We are also very excited about the progress being made in the financial services sectors we operate in. We are proud that ESG is at the heart of Alpha's service offering and that we can support clients in adopting relevant and meaningful approaches. We look forward to sharing more about our developments and plans as they progress.

Current trading and outlook

Despite some uncertainty and ongoing challenges as the supply and demand dynamics in the global consulting market continue to rebalance, client demand remains robust, and consultant utilisation has improved through the last quarter of FY 24 and was maintained into the early part of FY 25. While further improvement in utilisation is required in certain areas of the business through FY 25, we enter the year with a strong new business opportunity pipeline, higher sales win levels and a healthy net cash position.

The long-term structural drivers of demand including growth in assets and insurance policies, regulatory demand, cost pressures, client and societal expectations, and technology breakthroughs continue to present significant growth opportunities for us.

We have continued to invest in our people, recognising their importance in our future growth. The trust and relationships that our people cultivate with our clients provide significant cross- and joint-selling opportunities between our sector-focused services. Our people and client relationships are cornerstones of our business model and organic growth ambitions.

We also continue to see and respond to the strategic growth drivers of North America and addressing the market opportunity in the newer sectors of insurance and alternatives. Our selective investments in people, the service proposition and our business model, make us well placed to capitalise on improving market conditions.

With the structural drivers of demand remaining in place, our market-leading consultants, and our highly compelling client proposition, we are well positioned for the future and remain focused on our ambition to double the business again by 2028[12].

Luc Baqué
Chief Executive Officer
20 June 2024

12 The statement that the Alpha Group's growth plan has an ambition to double the size of its business by 2028 is aspirational only and should not be construed as a profit forecast within the meaning of the Takeover Code. There can be no certainty that Alpha will achieve its ambition, which is subject to various assumptions, risks and uncertainties that could cause Alpha's growth to differ materially from its expressed ambition.

Q&A: Luc Baqué, Chief Executive Officer

How is the competitive environment impacting your utilisation?

The global consulting market has experienced a more competitive environment during FY 24 and this has resulted in a longer sales cycle and, consequently, utilisation levels were impacted. We were pleased to be able to maintain consistent consultant day rates during FY 24, which continue to hold steady into FY 25. This reflects the quality of our service offering and our specialism in financial markets sectors, where we can add significant value to our clients. We believe that consultant utilisation will be more straightforward to recover in due course, as we have begun to see in Q4.

Why has Alpha continued to hire during this period?

Whilst we have slightly increased our overall headcount, FY 24 growth was more modest than in previous years. We have been very selective in the appointments, focusing on future development in line with our strategy. For example, we hired two very experienced directors to establish our Insurance Consulting business in North America and have grown our Lionpoint team as we continue to build up the alternative investments proposition. Alpha is also committed to developing and fostering early talent, offering a competitive graduate scheme, and we welcomed a further graduate intake in the period. In all these cases, we see these appointments as cautious but appropriate steps to harnessing significant potential growth over the coming years.

Can you tell us about your new business pipeline and the sales cycle?

We expect longer sales cycles to remain a feature in the shorter-term as clients strive to balance their costs with their immediate and long-term priorities. However, there are signs of improvement and Alpha is well placed for that recovery. Our sales pipeline indicates robust demand for our services, with ever-greater collaboration between management and technology consulting presenting a strong opportunity for the combined go-to-market approach and cross-sell. We are excited about the global nature of our pipeline, which includes a strong mix in sectors and practice areas, including significant multi-year programmes of work. We have already seen some more positive market sentiment at the start of the current financial year, with a good level of new business wins.

How do you feel about your 2028 ambitions?

We remain focused on our ambition to double net fee income again by 2028[12], which has been our goal since we announced it in March 2023. Our priority is to achieve this while maintaining a record of profitable growth. We have been taking action to protect our margins and profits in the current environment, alongside a strong focus on business development, and we believe that these market conditions will be a short-term feature. Underpinning these are the key pillars of our strategy: scaling up and broadening our sector-focused proposition; enhancing and diversifying our offering in geographical markets, such as in the significant North America market; and making selective acquisitions.

Business model

Our resources

The best talent
We draw on the market-leading experience, knowledge and highest delivery standards of our people to solve our clients' problems and meet their objectives.

Client relationships
We cultivate strong, long-term relationships with clients, leading to high levels of repeat business and opportunities to cross-sell multiple service offerings.

Industry networks
We maintain close contacts with vendors, industry bodies, regulatory authorities and competitors to inform our understanding of the markets in which we operate and support our work for clients.

Expertise
Our consultants specialise exclusively in particular sectors, meaning we are fully focused on each of the client segments we address. We offer insight, methodologies and thought leadership based on our leading position in the market.

Financial strength
We are a consistently profitable and cash-generative Group with the financial resources to invest in expanding our activities globally and to new client types and consulting areas.

Our competitive advantages

- Ability to identify, attract and retain the best talent.
- A strong culture that fosters excellence, collaboration and ethical conduct.
- A focused, specialist proposition for the asset and wealth management, alternatives and insurance sectors.
- Ability to apply best practice, differentiating intellectual property and data, technology solutions and market-leading knowledge developed over 20 years.
- A multi-boutique structure with an extremely solid cross-selling framework and culture of collaboration.
- Continuous development of the proposition to anticipate client needs.
- An emphasis on providing the highest quality of service and, wherever possible, exceeding clients' expectations.

How value is shared

Clients
We help asset and wealth managers, insurance companies, private market firms, service providers, platforms, intermediaries, technology partners and a range of other buy-side firms solve their most pressing strategic problems and become more successful.

146

new clients in the last financial year

Shareholders
We deliver long-term capital appreciation for our investors through share price growth and regular dividend payments, supported by the Group's continued growth. We preserve the value of their investment by managing risks appropriately.

154.9%

adjusted EPS growth since AIM admission

Our people
We enable our people to develop their skills and their careers by working on high-impact projects with the leading companies in their specialist area. We offer a meritocratic and enjoyable corporate culture alongside incentive schemes, training and support to facilitate individual development and progression.

50%+

of director additions in FY 24 were promoted from within

Community
We promote ethical conduct and a corporate culture that gives back to the wider community and values diversity and inclusion in its broadest sense. We contribute by supporting charitable initiatives including our Charity of the Year programme, and region-specific volunteering and mentoring.

£100,000+

raised for our charities of the year since AIM admission, alongside delivering valuable volunteering initiatives and pro bono work

Environment
We prioritise evaluating our impact on the environment by understanding our energy usage and our carbon footprint. We will contribute to its protection by seeking to reduce greenhouse gas emissions wherever possible and continuing to offset those that we cannot reduce.

100%

of our carbon emissions have been offset in line with our Annual Report SECR statement for the last four years

How we create value

Management Consulting | Technology Consulting | Data Solutions & Products

- Asset & Wealth Management
- Alternatives
- Insurance

Platform for growth
Alpha grows in three dimensions

Sector | Consulting activity | Geography

Management philosophy
Alpha's mantra supports strategic and management decisions

Best talent | Best expertise | Best culture | Best service

Strategy in action

1 Scale up and broaden the Group's client proposition

2 Roll out the client proposition globally

3 Make selective acquisitions

Global operations model

Finance	Business management and change	IT operations	Risk
Legal and corporate affairs	Human resources	Recruitment	Responsible business

Market overview

The Group's specialist consultants provide their depth of expertise and market experience to support clients in navigating and managing the following themes, as well as in how to take advantage of any opportunities they pose. We remain very well placed to address these long-term, structural trends through developing effective solutions from operating model design, to technology selections and implementations, to change delivery and support, as well as implementing strategies to secure long-term growth and profitability.

"As we entered 2024 we saw some early signs of optimism, and our discussions with clients predict modest, positive expectations relative to 2023. While we expect continued volatility, the long-term opportunities presented by accelerating digital transformation and integrating technologies like artificial intelligence, machine learning, and digital assets are becoming pivotal to optimising operational efficiency and enhancing client experiences. We predict those high-quality, resilient firms embracing transformation to outperform their peers significantly. Amongst this, we predict an uptick in M&A activity as larger firms look to expand into new business areas and locations."

Joe Morant
Global Head of Asset & Wealth Management Consulting

"Globally, there continues to be an overall reweighting from traditional to alternative assets classes, driving growth in global alternatives AUM. Each asset class comes with particular nuances in terms of the technology and operating model required to support it, and there is an overarching focus on consolidated data architectures to connect these tools and models. We continue to expect growth in the sector and with that growth we anticipate significant opportunity to help our clients as they focus on margins, technology maturity and increased regulatory scrutiny."

Nick Fienberg
Global Head of Lionpoint

"The global insurance market continues to present opportunities and challenges as FY 24 closes. Overall market indicators such as GWP indicate that the industry is returning to historical norms of growth alongside continued improvement in profitability of our clients. As the industry looks forward, general insurers will need to adjust increased cost bases in the post-inflationary environment by more effectively managing claims costs and addressing process and technology deficiencies. Life insurers will continue to see improvements in their balance sheets via investment terms from higher interest rates, creating opportunities to invest in product and technology to support client and channel interaction."

Stuart McNulty
Global Head of Insurance Consulting

"Asset managers increasingly look for global enterprise solutions across traditional and alternative assets and as the technological advancements of AI and Cloud continue apace, we are an important component in delivering high quality data into these models. Demand for our products continues to grow and we expect to further capitalise on opportunities as a result of our growing scale."

Lee Griggs
Global Head of Aiviq

Long-term structural drivers shaping our financial services clients in asset and wealth management, alternatives and insurance:

Trend: 1. Growth in AUM and GWP

Statistic

6% Global AUM CAGR 2018 to 2023 expected to continue[13]

6% forecasted CAGR in global insurance market[14]

Impact and scale

Alpha's clients have faced challenging macro conditions in the last two years, including high interest rates and inflation, which have not been as transitory as expected, alongside a return of market volatility. Despite these hurdles, the underlying drivers for growth persist. Assets under management have continued to grow globally, with a five-year compound annual growth rate ("CAGR") of 6% with net flows remaining positive. We would expect these trends to continue[13].

Against this backdrop, investment firms are actively pursuing diversification. Asset managers are broadening their investment strategies based on market demand, developing strategies in alternatives, sustainable products and, particularly in the US, active ETFs. Private equity, alternative credit, infrastructure and real estate are experiencing sustained growth in this regard, and assets under management for this section of the market have continued to grow globally with a 5-year CAGR of 11%[13]. This strategy allows firms to provide more comprehensive solutions and diversification to both institutional and retail investors, as regulations evolve for the latter in illiquid asset classes.

For insurers gross written premium ("GWP") projections continue to grow driven in part by higher rates and a growing global middle class. Consequently we are seeing a particular focus from our clients on how to increase their share of GWP.

Alpha's response

With growth projected to continue in the Group's core client markets, the demand for consulting services is anticipated to grow over the long term. This favourable market outlook provides robust underlying prospects for Alpha's businesses globally.

Alpha has an excellent record of anticipating and addressing client demand and evolving needs while enhancing its competitive advantages. This includes deepening and broadening its sector-specific expertise, leveraging established delivery frameworks, strengthening technology transformation capabilities, and providing industry insights across the asset and wealth management, alternatives and insurance sectors.

Trend: 2. Cost pressures and M&A

Statistic

Over 1 in 3 asset managers are planning to renegotiate fees with vendors to lower costs[15]

219% increase in the value of M&A activity in Q1 2024 as compared to Q1 2023[16]

Impact and scale

An increased cost base from inflation and higher rates coupled with margin pressures from lower-cost products and increased regulation have caused a deterioration in cost-income ratios Consequently, clients are looking at how to improve profitability.

Firms continue to pull classic cost levers to address this, including process optimisation, global enterprise technology solutions, spans of control, outsourcing, and re-tendering. Our clients follow similar guiding principles when transforming their cost base: to ensure any cost-cutting does not paralyse growth, to identify and implement quick wins early, and to balance traditional cost-saving measures with the nuances of their relevant sectors.

There is a renewed focus on sales enablement and data driven decision making to improve competitiveness while seeking to manage costs, which is often underpinned by technological change.

We also expect an increase in M&A, joint venture or alliance activity as well-capitalised companies look to expand globally into new capabilities and emerging markets but with less of a drive to realise cost synergies via acquisition.

We anticipate increases in this type of activity as interest rates begin to normalise, and pressure mounts to put committed capital to work. We have already seen a big uptick in activity from our private equity clients from the second half of FY 23, particularly in the wealth segment across technology, platforms and financial advisers.

Alpha's response

Alpha has built a reputation among clients as a market-leading specialist consultancy to support projects that address structural cost drivers in their business. We recognise the nuances of our sector, and that benchmarks are an input, not the answer.

Our approach is valued because we not only advise on "what" the targets should be but "how" to achieve them.

We support clients in identifying long-term growth opportunities instead of short-term remedies, recognising that cost review exercises cannot paralyse growth.

Through our sector specific offerings, we support different clients in considering and reconfiguring operating models and addressing cost structures across their organisations.

Our M&A proposition helps clients identify, evaluate, and execute acquisitions to assist them in realising their strategic goals. Clear valuation creation planning will become ever more important for portfolio companies, an area in which our industry experts assist our clients.

13 Broadridge Global Market Intelligence Data (2023).
14 Allianz, "Navigating growth and challenges in a rapidly changing world" (May 2024).
15 The TRADE, "Over a third of asset managers are planning to renegotiate fees with vendors to lower costs" (June 2023).
16 Retail Banker International, "M&A in financial services decreased in Q1 2024" (May 2024).

Strategic Report
Market overview continued

Trend: 3. Ongoing regulatory change

Statistic: **$10.5bn** of regulatory fines were imposed by authorities on financial services firms in 2023[17]

Impact and scale

Global regulators continue to focus on the outcomes customers are receiving from products and services. There is also an increased focus on resiliency driven by market volatility and geopolitical risk. A growing number of technology-focused regulations are looking at technological advances, AI and data security which must be adhered to without hampering competitive edge.

In addition, global rule sets are becoming more complex. Clients with a global footprint face the challenge of ensuring consistency in their approach to diverse regulatory regimes across jurisdictions.

A large and evolving agenda of regulatory change puts pressure on all parts of our clients' businesses to ensure compliance. Heads of Risk and Compliance need to ensure that their teams' skillsets keep pace with the complexity of the regulations surrounding ESG, cyber, financial, and operational resilience.

The need for faster and better data to evidence compliance remains a longer-term priority. Regulators continue to follow a more data-led supervisory approach and increase their expectations of firms' capabilities. The challenge of regulatory divergence and differing rules across multi-jurisdictional business models remains a key focus area.

Alpha's response

Alpha supports some of the world's leading asset and wealth managers, alternatives investment managers and insurers in developing their compliance, operational resilience, and risk management frameworks.

Alpha's Regulatory Risk & Compliance practice covers most financial hubs. It comprises a team of seasoned ex-regulators, practitioners, and experienced consultants who know how global regulators think and what they expect.

Alpha can therefore bring leading regulatory expertise and market best practices to transform how our clients handle regulatory compliance and risk. We focus on efficient regulatory change implementation and supporting our clients to future-proof with adaptive compliance and proactive risk management frameworks.

The team also works closely with Alpha's ESG & Responsible Investment practice, Alpha's technology and data teams to combine knowledge and expertise in addressing complex regulatory challenges and obligations and making the necessary updates to operating models and data governance.

Trend: 4. Digital transformation and technology breakthroughs

Statistic: **73%** of asset and wealth management service providers believe generative AI will positively impact business in the next 12 to 18 months[18]

Impact and scale

Technology transformation remains a core priority for our clients. Margin pressure, regulatory compliance and increased competition are all leading to investment in technology. There has also been significant advancement in the technologies themselves such as cloud-enabled integration and AI.

Much focus on technology innovation picks up on the idea of getting closer to clients, for example via hyper personalisation, and Alpha's clients are looking at how they can get closer to the customer relationship via technology, data and digital servicing.

For alternative investment managers, we continue to see growth across all asset classes, particularly alternative credit. We have also seen increasing retail appetite for access to alternatives, which comes with regulatory scrutiny. These asset classes require best-of-breed technologies underpinned by robust and transparent data models and architectures.

Alpha's response

Our management and technology consulting services offer complete solutions for clients looking to optimise their operations and processes while investing in efficient technology solutions.

Alpha's sector-focused consultants, including our specialist offering for alternative investment managers, enables clients to receive highly relevant advice and implementation approaches across technology, data and digital challenges and opportunities.

We continue to scale up and globalise other relevant practices, such as data and cloud services in our Technology Consulting business. We are also expanding our data science proposition to make data and analytics an essential business tool in delivering operational efficiency gains and supporting strategic decision making.

Alongside our consulting offering that encompasses analysis, solutions definition and implementation, Alpha's Aiviq business offers a data-driven software platform for asset managers. The core AUM and flows product addresses the need for investment managers to make informed decisions powered by data.

As AI continues to evolve and present new opportunities and challenges to our industry, Alpha's AI specialists help clients grapple with how best to deploy this technology, and form a comprehensive AI strategy. We are also seeing increased demand for AI implementation, often linked to a focus on cost.

Trend: 5. ESG and societal expectations

Statistic: **83%** of financial services firms expect more influence from regulators to increase ESG activities[19]

Impact and scale

ESG continues to evolve from a commercial priority to a regulatory necessity. Sustainability and responsible investment teams have been under intense and prolonged pressure as they support their firms' compliance efforts with sustainability-related regulation and address emerging anti-ESG sentiment in some regions.

Looking forward, we will see continued focus on meeting ESG-related regulation and increased attention on existing and emerging sustainability themes, including climate, natural capital, social factors, and double materiality – considering an investment's ESG impacts on the world and the financial materiality of ESG factors. The effective integration of ESG datasets creates a new challenge for technology and data operating models.

A key priority for Heads of Sustainability and Responsible Investments will be using their teams to the best effect and positioning their efforts as a strategic driver of value for their firm. Differentiating their sustainability value proposition from peers will be a particular challenge whilst they drive deeper ESG integration into the investment process.

Alpha's response

Our ESG & Responsible Investment team has unrivalled experience and market insight to help clients define and embed their chosen ESG approach and operating model. Our extensive expertise in sustainability regulation enables us to support them in their journeys to understanding and responding to regulations such as TCFD, SDR and now CSRD.

We work in multiple geographies to deliver projects across public and private assets for asset managers, asset owners, and wealth and insurance clients.

Our consulting work in this area remains complementary to Alpha's core consulting capabilities, which include work on product, regulations, data and technology scalability, and client engagement.

In response to client demand, we are also helping organisations in areas such as sustainability risk and greenwashing. These capabilities underpin our core strategic offering of supporting clients in defining their ESG and responsible investment vision, strategy, and roadmap with market-leading assessments and peer insights.

17 FinTech Global, "Navigating the regulatory minefield" (January 2024).
18 HFS, "HFS Horizons: The Best Service Providers for Asset and Wealth Management, 2024" (January 2024).
19 International Association of Credit Portfolio Managers, "How Financial Services Firms Are Wrestling with ESG" (May 2023).

The power of our people

The growth opportunity

Strategic Report

Employee insight

As Head of Asset & Wealth Management Consulting in North America, we see growth opportunities abound for Alpha in North America.

Alpha's core offerings to investment managers and insurers are highly differentiated and we are well placed to accelerate our growth in the largest single-market in the world.

In asset management, we see huge opportunities to expand our coverage of the hundreds of "boutique" ($10-100bn AUM) managers in the United States. The Canadian market also offers amazing growth opportunities particularly with the large public pension funds. We are growing our footprint with asset owners and insurance-owned managers across the region. Wealth management has the potential to be as large as asset management for Alpha, and we are investing to take advantage of the enormous opportunities for growth that we see in this segment.

Trends in the market are creating new opportunities for us to service our clients. We are uniquely well placed to help asset managers and alternatives managers capitalise on the continued growth in private markets. We are helping clients to navigate margin pressure with cost optimisation programmes. And the growth of new products such as direct-indexing and retail SMAs in the United States have clients seeking Alpha's advice given our unique vantage point and expertise across the value-chain.

We continue to grow our technology consulting capabilities across all our segments in North America and are seeing growing demand for our unique brand of high-quality technology consulting backed by industry-leading, business-focused expertise.

We see enormous potential for continued growth in the vast and dynamic North America market.

Mike Burns
Head of Asset & Wealth Management Consulting North America

Strategy

To continue to develop and succeed as a leading consulting services group, our strategy for growth includes the following objectives:

Read more about our strategy in the Chief Executive's report on p. 12

Objective	Key progress in FY 24	Areas of focus
1 Scale up and broaden the Group's client proposition by adding services and consulting activities that together present a differentiated and more comprehensive offering	— Consultant headcount of 1,000 at 31 March 2024, up from 994 at 31 March 2023. — Investing selectively in the foundations for future growth, including eight new directors in important practice and sector offerings: Operations, Wealth and Alternatives. — Further development and alignment of technology consulting across sector teams to enhance our market-facing structure. — Continued to expand the alternatives capability across management consulting and technology consulting through the Lionpoint team.	— Continue to evaluate and respond to market demands for new products and services, as well as add new propositions that will attract new clients and enable the sale of additional services to existing clients. — Continue to focus on enhancing cross-selling opportunities through a collaborative approach across all business teams and sectors. — Continue to deepen and extend the Group's insurance, technology and alternatives capabilities, alongside providing dedicated software solutions to the asset management sector through the Aiviq business. — Continue to attract and appoint experienced directors in line with demand, as well as grow our own talent to support and grow the Group's client proposition further.
2 Roll out the client proposition globally and progress opportunities to grow further within our markets	— Continued to roll out Alpha's consulting proposition and activities globally, including the launch of the Insurance Consulting team in North America. — Regional leads in place for the Group's key service areas covering all sectors to oversee delivery excellence, cross-selling and further growth across regions. — Continued to identify and progress opportunities in global markets, adding 146 new clients and growing market share. — Growth of director headcount by 15 to 116 at 31 March 2024, including two new directors in the newly launched North America Insurance Consulting team and senior appointments to the Wealth Management segment in the UK.	— Roll out the Group's existing business practices and complementary offerings progressively across all regions. — Continue to establish new branch in Abu Dhabi, launched after the year end, ensuring Alpha's value proposition is accessible to clients locally and in the wider region. — Continued focus in North America where there is still significant opportunity to gain further market share through the ongoing development and roll-out of the Group's service offering. — Continue to build out consulting in insurance, technology and alternatives capabilities globally, as well as launch into new markets where there is demand.
3 Make selective acquisitions	— Acquired and integrated the Shoreline business with Alpha's Asset & Wealth Management Consulting team and offering in APAC.	— Alpha continues to review acquisitions that can complement organic growth and maintains a healthy acquisition pipeline.

The power of our people

The best expertise

Employee insight

At Alpha, we meticulously design programme structures and assemble bespoke delivery teams to ensure the most appropriate talent is in the room with the client from the outset, and throughout the delivery, of engagements.

Getting to know the client, and understanding their asset class-specific requirements is at the core of our offering, leveraging specialist expertise to guarantee a combination of asking the right questions, providing impactful answers, and executing on a client's strategic direction.

As part of the Lionpoint team, I service the alternatives investment client sector. Throughout the lifecycle of a programme, the experts working on it may evolve, pivoting as required to the direction of the client's ultimate goal. Our strength is in the breadth of specialists we have to deploy across our client base and their varying challenges. This has been enabled through recruiting at an experienced level from three core areas:

1. **Industry –** coming from investment firms, from the Front to Back Offices, bringing knowledge of specific processes and common pain points.
2. **Technology vendors –** to complement the technology advisory capabilities, this ensures we have the latest methodologies to hand on targeting implementation efficiencies.
3. **Management consulting –** ensuring a fundamental, core base of quality delivery and transformation experience across all our projects.

These different professional backgrounds help build a rich blend of experience, knowledge, and delivery techniques. Once people are onboarded, Alpha nurtures an environment in which all members of teams are encouraged to share their expertise and learning internally, and to support the further development of our knowledge base, people and methodologies. Cross-team collaboration therefore becomes the key way of working, often unearthing previously unseen opportunities for our clients, and further enabling organic growth of our expertise firm wide.

Louis de Watteville
Senior Manager, Lionpoint UK

Key performance indicators

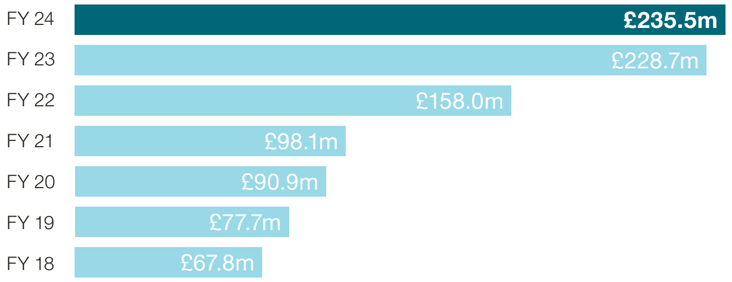
The Board has defined the following key performance indicators ("KPIs"). These KPIs link to the Group's growth strategy and are used to monitor the Group's income statement and performance.

These are discussed further in the Chief Financial Officer's report on pp 26-30, which forms part of this Strategic Report.

Revenue

£235.5m

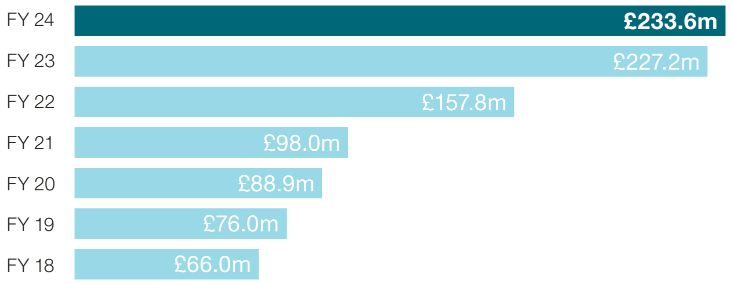
The revenue KPI measures how well the Group has expanded its business through organic and inorganic growth.



Net fee income[20]

£233.6m

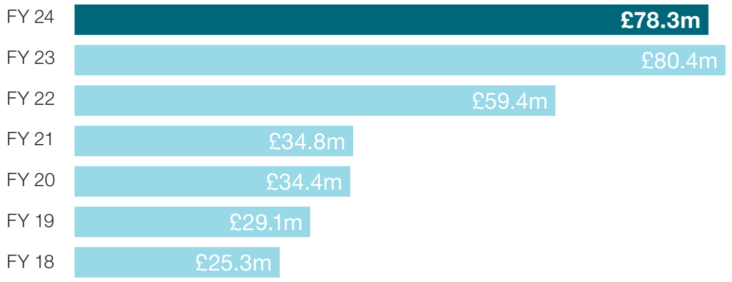
Net fee income is revenue before incidental expenses and is used as an alternative KPI to indicate the underlying productive operating performance of the Group.



Gross profit

£78.3m

This KPI helps to measure the profitability of the Group and the success of the business model.

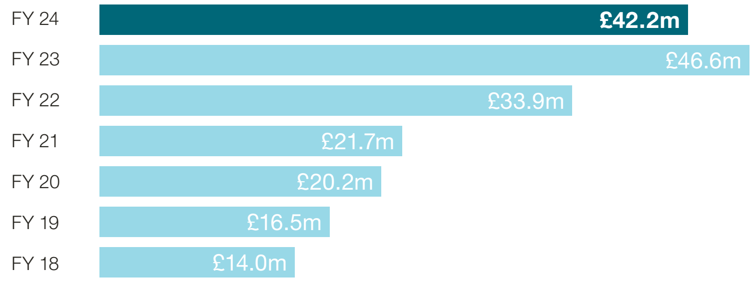


20 Refer to the Chief Financial Officer's report and to note 4 of the consolidated financial statements for further information on the adjusted performance measures: net fee income, adjusted EBITDA and adjusted cash generated from operations.

Adjusted EBITDA

£42.2m

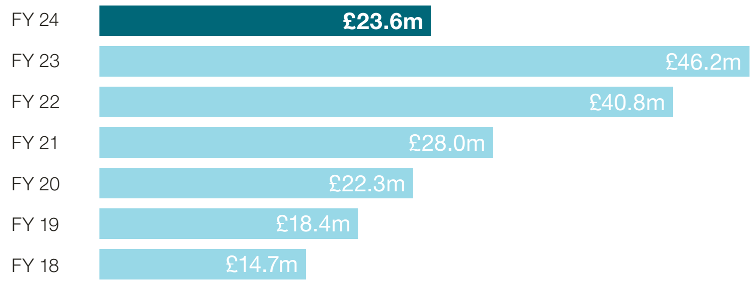
Earnings before interest, tax, depreciation, amortisation and adjusting items is a measure of the underlying profitability of the Group.



Adjusted cash generated from operations

£23.6m

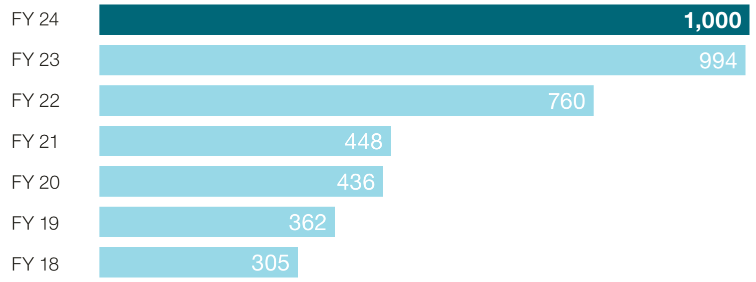
Adjusted cash generated from operations reflects the Group's underlying operating cash flows, excluding the impact of adjusting items.



Headcount

1,000

The year-end headcount KPI measures the growth in the Group's fee-generating consultants globally.



Chief Financial Officer's report

John Paton
Chief Financial Officer

> "Alpha has demonstrated resilience in a more challenging and competitive global consulting market environment this year, with net fee income rising by 2.8% and constant currency growth in all regions. The adjusted EBITDA margin is 18.0%, with careful variable cost control. The balance sheet remains robust with close to £30m net cash, and the Group starts FY 25 with robust client demand and a strong pipeline of new business opportunities."

IFRS and alternative performance measures ("APMs")

A range of results metrics are set out to demonstrate the Group's performance. These include measures presented on a statutory basis in accordance with international accounting standards ("IFRS") and APMs, which are provided to allow further understanding of the underlying performance of the Group across financial periods. The difference between IFRS and APMs arises from the adjusting items, as set out in detail in note 4 to the consolidated financial statements. The APMs presented are not considered superior to IFRS measures; these should be considered together for a full understanding of the performance of the Group. Whilst the Group's APMs may not be comparable across other companies, they have been presented consistently over time to provide meaningful trend information, and there is only limited change to their composition and definition in FY 24.

The exclusion of adjusting items in the Group's APMs may result in adjusted profitability being materially higher when compared with the nearest equivalent statutory measures. The Board uses adjusted profit measures to assess the performance of the Group because it considers these measures aid understanding of the underlying profitability of the business and allow for comparability between periods. Note 4 to the consolidated financial statements sets out further details of Alpha's APMs and a full reconciliation to the relevant statutory measures. These adjusting items decreased in the year, primarily reflecting a reduced earn-out and deferred consideration expense and a lower share-based payment charge, partially offset by some restructuring costs this year.

As noted above, the Group's share-based payment charge and related social security taxes are excluded from adjusted profit measures. This allows for better comparability between periods given the complexity of the assumptions underlying the calculation and the multi-year effect of mid-cycle changes to certain assumptions being adjusted for on a cumulative basis, sometimes resulting in material fluctuations in the charge between periods that are not reflective of the underlying operational performance of the business. The charge and related social security taxes are also subject to external factors, such as the Group's share price, over which the Directors[21] have less day-to-day influence compared to other more directly controllable factors. This approach has been applied consistently across reporting periods.

The Group will continue to assess the status of this charge as an adjusting item in the Group's financial statements, considering the development of the charge, the Group and its remuneration policies. If no adjustment was made for the share-based payment charge, adjusted EBITDA for the year would be £34.8m (FY 23: £38.6m) and adjusted EBITDA margin would be 14.9% (FY 23: 17.0%). Note 22 to the consolidated financial statements sets out further details of the employee share-based payment expense calculation under IFRS 2.

	12 months to 31 March 2024	12 months to 31 March 2023	Change
Revenue	£235.5m	£228.7m	3.0%
Net fee income	£233.6m	£227.2m	2.8%
Gross profit	£78.3m	£80.4m	(2.6%)
Operating profit	£25.1m	£28.6m	(12.4%)
Adjusted EBITDA	£42.2m	£46.6m	(9.5%)
Adjusted EBITDA margin	*18.0%*	*20.5%*	*(250 bps)*
Adjusted profit before tax	£38.5m	£44.0m	(12.5%)
Profit before tax	£22.6m	£25.8m	(12.4%)
Adjusted EPS	24.90p	29.27p	(14.9%)
Adjusted diluted EPS	23.34p	27.37p	(14.7%)
Basic EPS	13.85p	15.82p	(12.5%)

Group results

Group performance has been resilient this year, navigating a more challenging and competitive market backdrop.

Revenue

In a more competitive market environment, the Group performed resiliently this year with net fee income up by 2.8% compared to the last financial year, and 4.8% on a constant currency basis, mostly organically. Revenue also grew 3.0%, including increased rechargeable expenses, compared to last year.

Overall, the Group's revenue and net fee income growth reflects ongoing client demand across a slightly larger global consulting team on average, set against the more competitive environment and longer sales cycles generally. We were pleased to maintain consistent consultant day rates overall, albeit at lower than target average consultant utilisation, particularly during the first half summer months. All our geographic regions delivered net fee income growth on a constant currency basis in the year, with an inorganic contribution from the acquisition of Shoreline.

The Group's largest geographic region, the UK, delivered good 4.7% organic net fee income growth on last year. We continued to see robust client demand in our established practices, retaining our market-leading reputation and supporting some of the highest profile projects. This included substantial contributions from our asset and wealth management capabilities in Investments, Operations and Client & Digital, and UK Alternatives Consulting also delivering strongly, growing their headcount by over 20% to 78.

Aiviq named in the "WealthTech Top 100" (2023)

Our newer UK insurance consulting team consolidated its position this year after strong growth in recent years. The UK ended the year with total headcount of 385, down 9 in the year including a small recent restructuring process given UK market conditions. Overall UK consultant utilisation ended the year below target utilisation levels, firming closer to target levels through the first quarter of FY 25.

Within the UK results, while Alpha's Data and Product Solutions business, Aiviq, delivered flat revenue against last year, it also recently secured a major, new top-ten global asset management client, underscoring the market-leading Aiviq technology offering. We are delighted that Aiviq's proposition has been endorsed in this way alongside recognition from a FinTech Global Wealth Tech "Top 100" award in the year.

In North America, after almost doubling its top line in the previous year, FY 24 saw a flatter profile with net fee income growing 3.8% on a constant currency basis and easing 0.6% on a reported basis. Our Alternative Investments Consulting business, Lionpoint, continued to trade well enjoying strong client demand and adding 47 new clients in the region. The North America business expanded its domestic client base, as well as successfully capturing client demand through a number of cross-selling opportunities with its existing clients, although it experienced some fee rate compression during the year. In line with the Group's selective approach to hiring in FY 24, headcount in North America increased by 15 consultants overall, including investing in the launch of our Insurance Consulting offering in North America with two senior team hires. North America witnessed the tougher market conditions earlier than the rest of the Group and has started FY 25 with the team well deployed, growing consultant numbers and a strong pipeline of interesting project opportunities.

21 "Directors" refers to the executive and non-executive members of the Board; meanwhile "directors" refers to non-Board directors within the management teams of the Group.

Revenue *continued*

Europe & APAC delivered the strongest regional growth in FY 24, with net fee income increasing by 6.9% on a constant currency basis and 6.1% overall. Organic net fee income growth was 1.4%, with some rates progression in Europe, plus the acquisition of Shoreline in APAC. Europe & APAC headcount remained flat overall, in line with the Group's selective hiring approach. The Europe & APAC region has started FY 25 well, with good utilisation being enjoyed across all teams.

Given the more challenging market conditions prevalent this year, the Group adopted a selective hiring approach, focused on growth areas, and the number of consultants reached 1,000 by the year end (FY 23: 994). Despite a selective approach to recruitment we remained committed to our well-established graduate programme, the future talent of the Group, welcoming a number of graduates through the year globally.

Group profitability

Group gross profit was £78.3m, £2.1m lower than the prior year (FY 23: £80.4m). Gross profit margin was 33.5% (FY 23: 35.4%), and consistent with H1. This primarily reflects reduced average consultant utilisation in the competitive market environment, alongside consistent day rates on average and increased costs from selective investment in growing our team while maintaining a competitive remuneration package, partly offset by active management of variable costs given performance. Utilisation levels were most affected through the second quarter's summer months, ticking up through H2, and reaching close to target levels of 70% to 75% on average globally towards the year end.

The UK business generated £2.0m less gross profit than last year, at 36.2% gross margin (FY 23: 40.2%), reflecting lower consultant utilisation levels than target and the previous year, particularly in the insurance consulting and asset & wealth management teams, alongside consistent day rates. North America's gross profit is also lower than last year by £1.7m, generating 31.3% margin (FY 23: 32.9%), reflecting good levels of average consultant utilisation, some day rate compression in the region given the competitive market, and a higher cost base accompanying North America team growth. This includes the establishment of an insurance consulting team in the region during the year. Europe & APAC grew gross profit to £17.0m (FY 23: £15.4m), with an improved margin of 32.7% (FY 23: 31.4%) reflecting good average consultant day rate progression in Europe, partly offset by an easing in utilisation, particularly in APAC. The North America gross margin saw the greatest currency headwind in the Group. On a constant currency basis, North America's gross margin would be broadly flat with the prior year.

Adjusted administration expenses, as detailed in note 4, increased by £2.3m to £36.1m in the year (FY 23: £33.8m). This increase mainly reflects investment in the Group's central team in the second half of the prior year and increased overall spend supporting the larger average consultant headcount base including further office space and IT licences, partially offset by lower recruitment spend in the year.

> "A resilient performance through a more challenging market environment."

Including the adjusting items, which decreased against the prior year, administration expenses increased overall to £53.2m (FY 23: £51.7m) on a statutory basis. The adjusting items, set out in note 4, decreased in the year to £14.3m (FY 23: £15.8m), reflecting decreased earn-out and deferred consideration charges, share-based payment charges and intangible asset amortisation, partially offset by redundancy-related restructuring costs in the year.

The lower earn-out and deferred consideration charge of £1.1m (FY 23: £2.5m), reflects payments in the year and last year's net fair value increase in acquisition liabilities held. Further details on the earn-out and deferred consideration charges are set out in note 13. The share-based payment charge also reduced to £7.3m (FY 23: £8.0m), having updated the input assumptions to reflect FY 24's lower performance, Alpha's lower share price and share option vests in the period. Further details of the share-based payment charge and sensitivity analysis are set out in notes 4 and 22.

This year, the Group incurred £0.9m of restructuring costs, relating to the exit fees and costs involved in a small UK redundancy process. Acquisition and integration costs were £0.3m (FY 23: £0.3m) as the Shoreline team was successfully integrated into the Group during the first half. The acquired intangibles amortisation charge decreased against the prior year, reflecting some fully amortised intangibles, partly offset by the newly acquired Shoreline intangibles. Further detail of these adjusting items is set out in note 4.

The depreciation charge grew to £2.8m (FY 23: £1.9m), reflecting increased depreciation on a higher lease right-of-use asset. The amortisation of capitalised development costs was nil (FY 23: £0.2m) as the asset became fully amortised in the prior year.

Adjusted EBITDA was £42.2m (FY 23: £46.6m) and adjusted EBITDA margin was 18.0% (FY 23: 20.5%), reflecting both the lower gross profit and the higher adjusted administration expenses. If no adjustment was made for the share-based payment charge, adjusted EBITDA for the period would be £34.8m (FY 23: £38.6m) and adjusted EBITDA margin would be 14.9% (FY 23: 17.0%). Operating profit was £25.1m (FY 23: £28.6m) after also charging increased depreciation.

Currency

Currency translation was a headwind on net fee income and profits during the year, particularly in North America. In the year, pound sterling averaged USD 1.26 (FY 23: USD 1.21) and CAD 1.69 (FY 23: CAD 1.59), which, with some other smaller currency movements, resulted in an unfavourable net currency effect on net fee income of £4.4m and on gross profit of £1.3m. On a constant currency basis, North America net fee income would have grown 3.8% and Europe & APAC net fee income would have grown 6.9%.

Overall, the Group's net fee income would have grown 4.8% to £238.0m on this constant currency basis. Similarly, the Group's gross profit would have been £79.6m and would have reduced 0.9% on a constant currency basis.

Net finance expenses

Net finance expenses fell slightly to £2.5m (FY 23: £2.9m), primarily reflecting reduced non-underlying finance expenses relating to acquisition consideration discount unwinding, which decreased given acquisition-related payments in the period, as set out in note 13. This reduction was partially offset by increased underlying interest expenses reflecting refinancing fees on enlarging the Group's revolving credit facility ("RCF") and interest on periodic RCF drawings, plus additional lease costs.

Adjusted profit before tax was £38.5m (FY 23: £44.0m) after charging increased depreciation and net underlying finance expenses. Statutory pre-tax profit was £22.6m (FY 23: £25.8m). The larger decrease in adjusted profits as compared to statutory profits is driven by the lower level of adjusting items and non-underlying finance costs.

Taxation

The Group's taxation charge for the year was £6.7m (FY 23: £7.8m), reflecting the lower taxable profits and the blended tax rate of the increasingly international jurisdictions in which the Group operates, as set out in note 8. The Group's cash tax payment in the year was £7.6m (FY 23: £13.3m), reflecting increased prior year payments as the Group moved to a quarterly tax payment cycle in North America that year.

For further taxation details, see notes 8 and 9 to the consolidated financial statements. Adjusted profit after tax is shown after adjustments for the applicable tax on adjusting items as set out in note 4.

Earnings per share

Adjusted earnings per share ("EPS") was 24.90p per share (FY 23: 29.27p) and adjusted diluted EPS was 23.34p (FY 23: 27.37p), reflecting the adjusted profit after tax and the increased number of weighted average shares, which increased as a result of share option exercises in the current and prior periods, partly offset by the Group's purchase of shares into Alpha's employee benefit trust ("EBT"). After including the adjusting items, basic earnings per share was 13.85p (FY 23: 15.82p), while diluted EPS was 12.98p (FY 23: 14.79p), after including the dilutive effect of the share options awards outstanding.

As at 31 March 2024, 11,227,844 share options (FY 23: 9,996,040) remained outstanding, with FY 24 grants partly offset by some share options exercised and forfeited in the year. See note 22 for further detail.

Cash flow and net funds

Cash generated from operations was £20.4m (FY 23: £43.9m) and, after adjusting for employment-linked acquisition payments, acquisition, integration and restructuring costs, was £23.6m (FY 23: £46.2m).

Underlying working capital remains well managed, with debtor days within the typical range, albeit higher than the previous year. The overall operating cash generation in FY 24 primarily reflects profit share bonus payments relating to prior years, and their relative size compared to the Group's profitability this year. These bonus payments include both the payment of FY 23 profit share and the second tranche of deferred FY 22 bonus payments. These payments alongside the lower performance-adjusted bonus accruals in FY 24 result in an increased movement in working capital in the year. Adjusted cash conversion is similarly affected and was 60% (FY 23: 104%). We refined the definitions of adjusted cash generated from operations and adjusted cash conversion in FY 24 to exclude tax paid in the year, to allow for consistency in the calculation to exclude tax from both profits and operating cash flows in line with comparable companies, as detailed in note 4. Given the weightings and timings of bonus payments, we expect adjusted cash generated from operations and adjusted cash conversion to return to more normal levels in FY 25.

During FY 24, the Group made payments of £17.0m relating to deferred and contingent acquisition consideration principally as regards Lionpoint, including £1.8m of employment-linked amounts. Please see note 13 for further details.

The Group also provided £3.8m of funding to Alpha's employee benefit trust ("EBT") to purchase 1,035,154 shares at the prevailing market share price, to hold for the satisfaction of future award vests. Alpha will likely fund the EBT further in the future to build the shares held in the EBT for the satisfaction of future share option exercises.

Net interest paid was £1.3m (FY 23: £0.5m), reflecting the higher cost of maintaining and periodically drawing the Group's enlarged RCF to manage the Group's ongoing currency requirements and RCF refinancing fees paid, partially offset by interest income from cash balances held.

The Group also capitalised expenditure of £0.3m in relation to the development of enhancements to Aiviq's client data and analytics software.

Dividends paid increased to £16.2m (FY 23: £12.8m), reflecting the Group's dividend policy and a consistent FY 24 interim dividend payment.

At the year end, the Group's cash position was £29.4m (FY 23: £59.2m). During the year, the Group refinanced and upscaled its RCF to a £50.0m facility to provide additional liquidity, and alongside the net cash position, provides Alpha further flexibility.

Statement of financial position

The Group's net assets at 31 March 2024 totalled £148.5m (FY 23: £149.3m). This movement principally arises from the retained profits net of dividends and other reserves movements including additional share-based payment reserves, offset by foreign exchange losses on overseas assets. The Group continues to maintain a strong financial position.

The Group's non-current assets movement principally results from ongoing amortisation and depreciation charges on intangible assets and right-of-use assets on leases, partly offset by goodwill and intangibles added as part of the Shoreline acquisition.

Working capital remains well managed. Trade and other receivables balances increased in FY 24 through the ongoing growth in the business. Debtor collections continued to be strong, albeit with debtor days increasing on the previous year's strong collections and closing balance.

Trade and other payables balances decreased, principally representing lower performance-adjusted bonus accruals and acquisition liabilities. The decrease in acquisition-related deferred consideration and earn-out liabilities reflects Lionpoint deferred and contingent consideration payments, partially offset by employment-linked consideration as well as the unwinding of discounting in the year, as disclosed in note 13.

As at 31 March 2024, the Company had 122,009,736 ordinary shares in issue (FY 23: 120,509,736), of which no shares were held in treasury and 7,537,366 shares were held in the Company's EBT to satisfy future option exercises (FY 23: 6,274,380).

Dividends

In view of the recommended cash offer to acquire Alpha by Bidco, a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint, the Board is not recommending a final dividend. If the acquisition does not complete, it is expected that the Board would declare a final dividend in respect of FY 24 at a later date.

Risk management and the year ahead

The Group's risk management approach includes regular monitoring of macro-economic and end-market conditions and assessing the potential impacts across all business areas. In the risk management framework, which was reviewed during the year, the senior leadership team, including the Chief Executive Officer and me as Chief Financial Officer, has primary responsibility for keeping abreast of developments that may affect the implementation of the Group's strategy and financial performance. This entails identifying and agreeing the appropriate mitigating actions that should be taken and ensuring, as far as possible, that those actions are then executed by the senior management team. The Board as a whole oversees risk and, within that framework, considers the material risks that the Group faces and agrees on the principal risks and uncertainties. Alpha has a set of core Company values, which are embedded globally, that reflect the Group's ethical and responsible approach to operating and managing the business.

Alpha has navigated well through this more challenging year. While closely monitoring the ongoing market rebalancing, Alpha continues to enjoy a strong pipeline of new business opportunities and incrementally improving current trading. The structural drivers in the sectors in which we operate, which drive ongoing demand for Alpha's services, remain prevalent. We are confident in the quality of our people, our excellent market reputation, and business opportunities to extend the service offering, and therefore the Board looks forward to further progress ahead.

The Board has considered all of the above factors in its review of going concern and has been able to conclude the review positively. While cognisant of potential macro-economic risks and the more competitive environment, the Group's talented people, widening range of service offerings and international footprint, together with the long-term structural drivers, position the Group well.

Summary and current trading

In a more competitive market environment with a longer sales cycle, the Group performed resiliently in the year. The Group has grown net fee income, while maintaining consistent consultant day rates.

While the global consulting market continues to rebalance and present some challenges, a more positive market sentiment is returning, with improving sales wins over recent months. Utilisation rates ticked up in the final quarter of FY 24, close to target levels overall, maintaining this level into the early part of FY 25.

We are very confident in the quality of our people, our excellent market reputation, and business opportunities to extend the service offering for our clients further. Accordingly, the Group remains well positioned for the future.

John Paton
Chief Financial Officer
20 June 2024

Section 172 statement

Under Section 172(1) of the Companies Act 2006, a director of a company must act in the way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- **The likely consequence of any decision in the long term.**
- **The interests of the company's employees.**
- **The need to foster the company's business relationships with suppliers, customers and others.**
- **The impact of the company's operations on the community and the environment.**
- **The desirability of the company maintaining a reputation for high standards of business conduct.**
- **The need to act fairly between members of the company.**

The following disclosure describes how the Directors have had regard to the matters set out in Section 172(1)(a) to (f) and forms the Directors' statement under Section 414CZA of the Companies Act 2006.

The Directors remain committed to engaging with the Group's stakeholders and considering their interests when making strategic decisions.

Strategic Report
Section 172 statement continued

Key Board decisions during the year

The Board considers the following to be the key decisions and considerations that it has made during the year to 31 March 2024:

	Board decision	Considerations
April	The Board formally approved the appointment of Luc Baqué as Chief Executive Officer on 1 April 2023.	— To provide effective executive leadership that will ensure the sustainable, long-term success of the Group.
May	The Directors approved the acquisition of Shoreline (see pp 132–133 for details).	— To support the long-term growth and success of the Group by incorporating Shoreline's complementary client base, employee skill sets and capabilities. — To enable the Group to take advantage of opportunities in APAC and provide a platform for further growth in this region. — To broaden the range of services and expertise the Group provides its clients and maintain its position as a market leader.
June	The Board reviewed and approved the FY 23 Full Year Results and the Annual Report and Accounts.	— To provide transparent and accurate information to the market.
	The Board considered and agreed to recommend a final dividend of 10.50p for FY 23.	— To address the interests of shareholders in the context of the long term while maintaining the Group's policy of paying approximately 50% of adjusted profits.
	The Board appointed the Group's first in-house Company Secretary.	— To further strengthen the Group's corporate governance framework, thereby safeguarding the interests of shareholders and other stakeholders.
July	The Board approved the grant of FY 24 equity incentive awards to management and certain employees of the Group.	— To reward and incentivise the management of the Group and ensure the alignment of interests between employees and shareholders.
August	The Board approved the exercise of options that had vested under the management incentive plan and employee incentive plan to management and certain employees of the Group, together with the purchase of the Company's own shares by the employee benefit trust to satisfy the exercise of share options awards.	— To reward and incentivise the management and employees of the Group and ensure the alignment of interests between employees and shareholders.
September	The Board undertook a scenario planning exercise to review the FY 24 forecast against prevailing market conditions.	— To ensure the accuracy of forecast performance and consider potential outcomes against a range of market conditions.
October	The Board considered and approved the FY 24 interim pre-close trading update to the market.	— To provide transparent, accurate and timely information to the market.
November	The Board reviewed and approved the FY 24 Interim Report and payment of the FY 24 interim dividend of 3.70p to shareholders.	— To provide transparent and accurate information to the market and to address the interests of shareholders in the context of the long term while maintaining appropriate levels of reserves to run the business effectively.
	The Board reviewed the provisions of the newly published 2023 QCA Corporate Governance Code and agreed steps to ensure compliance with its recommendations from 1 April 2024.	— To ensure that the Group's governance mechanisms reflect best practice, taking into consideration the interests and evolving expectations of its shareholders and broader stakeholders.
January	The Board approved the exercise of options that had vested under the management incentive plan and employee incentive plan for management and certain employees of the Group.	— To reward and incentivise the management and employees of the Group and ensure the alignment of interests between employees and shareholders.
February	The Board considered and approved the release of a Trading Update to communicate an update to FY 24 performance expectations.	— To provide transparent, accurate and timely information to the market. — To agree on actions relating to revised profit expectations.
March	In accordance with the Remuneration Committee's recommendations, the Board undertook to consult with major shareholders on proposed updates to the Remuneration Policy for Executive Directors, to take effect on 1 April 2024.	— To ensure that remuneration arrangements evolved in line with market practice and investors' expectations. — To provide a remuneration structure that will enable share option dilution levels to be reduced over time.

At each meeting, the Chief Executive Officer updated the Board on the Group's businesses, geographies and progress on key client relationships and engagements.

Further details on the Group's strategy and long-term decisions are set out in the Chairman's report on pp 9–11, the Chief Executive Officer's report on pp 12–15 and in the strategy section on pp 22–23.

Engagement with key stakeholders

The Board considers its key stakeholders to be its employees, shareholders, clients and the communities in which it operates. The Board also recognises other stakeholder groups including vendors and suppliers, industry bodies and competitors with which Alpha works or associates in the marketplace. Engaging effectively with these stakeholders strengthens the Group's business relationships and decision making and, therefore, supports its long-term success.

	Employees	Shareholders	Clients	Communities
Why we engage	Attracting, retaining and developing the best talent is essential to Alpha's business success. The Group is committed to providing a highly rewarding workplace and maintaining a strong, meritocratic, and inclusive culture that recognises the importance of our people and encourages open communication.	The Group prioritises open communication and effective engagement with its shareholders, whose support is integral to long-term growth and success.	The Group's success is based on delivering a proposition that helps its clients address their challenges and capitalise on their opportunities. The Group works hard at developing and sustaining long-term client relationships, which it supports through its global team of consultants and by extending the range of services it offers and the types of projects it carries out.	The Group is a growing, profitable business committed to fostering the same growth and success within the communities in which it operates, including supporting relevant or active organisations in those communities. As part of this engagement, the Group also considers its corporate responsibility and how to maximise the positive environmental and social impacts of its activities, and to minimise the downsides, giving a solid baseline for developing relevant action plans and targets.
Stakeholder key interests	— Career progression. — Recognition. — Training and development. — Morale and motivation. — Engagement and feedback. — Reputation. — Wellbeing. — Health and safety. — Diversity and inclusion. — Sustainability.	— Financial performance including share price performance and dividends. — Governance and transparency. — Operating and financial information. — Confidence and trust in the Group's Directors. — Transparency and appropriateness of Executive Director remuneration structures.	— Specialist industry proposition. — Integrated end-to-end service offering. — Excellent service delivery. — Continuous development of practices, products and services. — Subject matter expertise. — Emphasis on client satisfaction. — Ability and experience to help clients shape their business for the future.	— Effective and transparent engagement with local communities. — Available ESG reporting and disclosures. — Working closely with charities, corporate social responsibility ("CSR") partners and other organisations. — Contributing to awareness of diversity, inclusion and other sustainability-related topics. — Taking effective action on climate change. — Pursuing a positive impact on local and global environments.
How we engage	— Global employee feedback framework. — Leadership communications. — Monthly Company meetings. — Competitive remuneration package. — Professional qualification and other training opportunities. — Employee success framework. — Mentoring. — Management incentive programme. — Diversity & Inclusion programme and networks. — CSR networks.	— Dedicated investor section on the website and AIM Rule 26 disclosures. — Investor strategy updates. — Capital markets days. — Interim and preliminary results announcements. — One-to-one meetings with investors. — Investor conferences/roadshows. — Annual Report, including details of how the Quoted Companies Alliance Corporate Governance Code has been applied. — Annual General Meeting, including a voluntary vote on the re-election of all Directors each year. — During April 2024, the Group consulted with major shareholders on updates to the Remuneration Policy (see pp 86–91 for details). It is also intended that a shareholder vote on remuneration will be introduced at the 2025 AGM.	— Senior level client relationship management. — Continuous client satisfaction monitoring. — Regular assessment of client demand and interests. — Industry round table discussions. — Dialogue with vendors, regulators and industry bodies. — Publication of market and industry insights. — Alpha Outlook whitepapers and thought leadership.	— Diversity and Inclusion networks and initiatives, developing and empowering Alpha's people with shared knowledge, toolkits and training. — Work on climate change and carbon offsetting. — ESG reporting including the Sustainability Accounting Standards Board and the recommendations of the Task Force on Climate-related Financial Disclosures. — The Group's Sustainability Report and relevant sections within the Annual Report. — Energy usage and emissions reporting. — Charity of the Year programme. — Taking appropriate steps where regulations are introduced by establishing new policies. — Modern Slavery Statement and Living Wage accreditation. — Tax evasion and anti-bribery policies, supported by whistleblowing policy. — CSR schemes and initiatives, including mentoring schemes for young people from lower socioeconomic backgrounds and team-coordinated fundraising for charities.

Looking after our people

Alpha's success depends on the expertise and dedication of our people.

We strive to provide the best service and deliver exceptional client results. Our highly talented people enable us to do this as they deliver complex, transformative and strategically important projects for our clients. Alpha is therefore committed to attracting, retaining and developing the best team in the industry.

We want the years that our people spend working at Alpha to be the best of their career, and we believe that providing a positive and inspiring work environment will help to foster a high-performance culture that delivers exceptional outcomes for clients, as well as great professional and personal fulfilment for our employees.

What we offer

The talented graduates and experienced consultants who join Alpha benefit from our distinctive and highly attractive proposition, built on:

- A strong corporate culture that places people at the heart of the business;
- Our reputation as the leading consultancy in the sectors in which we operate;
- Opportunities to gain invaluable experience by working in small teams on high-profile, industry-defining projects;
- Comprehensive training, development and feedback to build consulting skills and specialist knowledge;
- Career progression based on merit, with no fixed period at any level;
- Recognition of talent on an individual level, while encouraging and celebrating success at a team level;
- An open and inclusive environment with a strong employee support framework for people of all levels and backgrounds;
- An entrepreneurial environment where ideas to develop our business are welcomed;
- A highly competitive compensation package, including benefits and participation in the Group's profit-sharing or cash bonus schemes; and
- Management incentives that celebrate success and recognise contributions to Group performance.

Our core values define who we are both as a company and as professionals

Expertise — We provide **deep expertise** in our specialist areas

Supportive — We provide a **meritocratic, sociable and supportive environment** – we want to be recognised as the best place to work in our industry, with personal career progression based on transparent and meritocratic considerations

Integrity — Everything we do is defined by **integrity** – we hold ourselves to the highest standards of transparency, honesty and personal integrity

Responsible — We are socially and ethically **responsible**

Collaborative — We pride ourselves on working **collaboratively** with our clients

Proactive — We are **proactive** – we use our extensive personal and corporate experience to find solutions

Accountability — We take **accountability** for delivery – we own and take responsibility for outcomes

The power of our people

The best talent

Emphasis on culture and inclusion

Alpha puts people at the heart of the business, so that they feel engaged and empowered to drive success, both at an individual and team level. We take enormous pride in creating and fostering an environment where everyone can thrive.

To ensure this, we base our corporate culture on integrity, fairness and meritocracy and our people management frameworks favour inclusion, sociability and support. We believe this is a key reason why we have lower staff attrition rates than many of our peers, with many of our team having been at Alpha for 10 years or longer. We are proud to be a company where people feel they can grow.

Focus on diversity and inclusion

Championing diversity and equity and fostering an inclusive culture at all levels are key elements of our approach to looking after our people. We operate several employee-managed networks globally that champion ethnic and cultural diversity, social mobility, gender equality, wellbeing, disability confidence – including our accreditation as a Disability Confident Level 2 employer – and pride (LGBTQ+).

We are committed to ensuring that our people, structures and culture work together to improve diversity and inclusion at all levels of the organisation, particularly at senior levels, where decision making is concentrated and representation is vital. More information can be found about this in the Sustainable Business section on p. 44.

Employee insight

Alpha invests in our people through three key areas, mentorship, training opportunities and providing diverse experiences.

We aim to provide a supportive environment of senior mentors and professional coaches, as well as enable upwards feedback to ensure every employee is given the opportunity to thrive and grow. We also provide training at every level upon promotion in addition to hands-on training throughout the year. Furthermore, we ensure our rising talent has a diverse set of client experiences to well round their consulting and technical skills.

Alpha's consultants demonstrate a wide variety of qualities and values that adds to the effectiveness and collaborative nature of our teams. Our consultants provide deep expertise in Alpha's specialist areas and take accountability for delivery through ownership over client outcomes. Their work is defined by integrity and held to the highest standards of transparency and honesty. Alpha consultants are proactive, and use their extensive personal and corporate experience to find the best solutions for clients.

In order to continue to foster a meritocratic approach to talent, Alpha maintains a relatively flat hierarchy, ensuring all consultants have access to senior leadership to provide them with the support they need to succeed. Great ideas are encouraged and recognised across levels. Many of our best ideas have come from a consultant proactively bringing an idea to life and collaborating with colleagues to make it a success.

Natalie McIntyre
Technology Consulting Lead,
Asset & Wealth Management Consulting
North America

Strategic Report
Looking after our people continued

A strong record of recruitment and retention

Alpha is sought after as an employer thanks to its excellent reputation, positive and collaborative culture, prestigious client relationships and increasing range of opportunities that our strategy provides ambitious professionals. In hiring, we look for extremely talented individuals from all backgrounds who show strong commitment and the desire to succeed, and we review our recruitment processes continually to ensure that they are thorough and effective and integrate diversity considerations at every stage.

Once on board, our employees are provided with the specialist knowledge, support and training that they need to thrive. At Alpha we are committed to providing a high-quality onboarding experience for new employees. We ensure that new employees are quickly allocated a mentor who will welcome them to the firm and support them with their professional development.

> "While we focus on identifying and attracting the right people to Alpha, it is also important that we can retain, nurture and develop the best consulting talent in the market."

For us, it is important that new employees feel part of the Alpha community from the start. Our efforts to ensure an excellent working environment, exciting opportunities for career development and highly competitive compensation packages have been critical factors in the Group's growth over the last years, alongside maintaining strong retention for our industry.

Creating a social and supportive environment

Alpha organises oversight and support for its people through a number of coordinated functions: HR, Recruitment & Learning, Responsible Business and management members who are responsible for diversity, people and talent locally. The teams are organised by regions and individual teams as appropriate, allowing for a highly agile, efficient and connected network of support for all our people.

We strive for Alpha to provide as inclusive, sociable, and supportive an environment as possible. Our management teams, social teams, HR teams and other groups regularly work on ideas and opportunities to bring together Alpha as a community. We also review Alpha's social agendas to ensure activities are attractive to all our employees, and we encourage our people to get involved in making these plans and arrangements so that different viewpoints and interests can be captured.

A key focus of the corporate teams, including HR and Recruitment, is to support the business as we grow geographically across different sectors. In the past year, this has included successful implementation of a new, leading HR information system and the development of HR frameworks for different career paths, as the Group grows and continues to broaden its client proposition globally.

Learning and development

We have training programmes extending across all grades, from analyst to director, who receive high-quality training and upskilling on valuable topics for their roles. Examples include upskilling on content knowledge, presentation skills, people management, sales and delivery excellence.

All employees are also encouraged to take a proactive approach to their career development. The Group provides access to LinkedIn Learning for all employees, meaning they are able to supplement their professional development, and further develop their skillsets across a number of topics, such as communication, presentation, technology and problem solving skills. Furthermore, relevant formal certifications are encouraged to support the development of individual career paths and corporate expertise.

Alongside these formal training initiatives, we ensure that employees gain unique knowledge and practical experience by working alongside more experienced colleagues and attending meetings with some of our client organisations' most senior and influential people. We also offer secondments and permanent moves between geographies and consulting practices, which provides our people with a possible range of wider experiences and development opportunities within the Alpha business.

Career progression

We are proud to be a Group where people recognise future opportunities and feel they can grow. Alpha has a meritocratic approach to career progression where our consultants have the opportunity to progress based on their performance. We do not subscribe to a "fixed time" at each level.

We believe the ability to take on responsibilities early, receive mentoring and oversight from experienced consultants, alongside relevant development and training plans, allows for rapid progression and is essential in attracting the most talented consultants to join us. Many of our current director team joined Alpha as graduates or early in their careers, meaning our senior team has a deep understanding of the organisation and culture, while providing continuity to employees.

External benchmarking confirms that the average time to progress from graduate to director is significantly less than our peers. This is aided by our belief in promoting from within where possible and identifying opportunities for staff at all levels of the Group. These factors help us stand out from our competitors and enable us to attract top-quality talent.

Recognising that everyone's career path is individual, we place great importance on mentoring and feedback. Mentors help to guide development throughout the year, alongside mid-year and annual performance reviews and regular feedback touchpoints with project leads. As part of a new HR information system roll-out in FY 24, we have implemented a feedback mechanism that allows 360-degree feedback at any time.

Employee communications and feedback

We use a range of channels to facilitate employee communication, collaboration and engagement. Each regional team has regular company meetings to update on key business topics and provide the opportunity for Q&A. The senior management team, including the CEO, uses internal communication channels to celebrate successes and provide updates in important areas; recent topics have included diversity and inclusion and the announcement of Alpha's first public diversity target.

We take time to understand the team's sentiment about life at Alpha and identify strengths and areas for focus. As such, we also provide a range of anonymised channels to facilitate employee engagement including an annual anonymous feedback survey. Employee feedback has led to many new initiatives that include changes to internal policies, communication formats and technology improvements. This year, we have introduced the employee net promoter score ("eNPS") to enhance our insight. While this is a new concept for all members of the Group, with which we will need time to familiarise, we were very pleased with a first eNPS rating of "good".

Sustainable business

At Alpha, our dedication to sustainable business practices is integrated across our operations, reflecting our commitment to long-term success and positive stakeholder outcomes. Over the past year, we have made progress in the Group's environmental, social, and governance ("ESG") agenda, including releasing our first Sustainability Report, which details this. Looking ahead, we have defined a number of ambitions to continue our positive momentum.

Visit us online to see our Sustainability Report

Alongside our internal efforts, Alpha's ESG & Responsible Investment practice is a core and growing part of the work we do with clients. Our consulting teams actively advise on ESG within the investment community, across the asset and wealth management, alternatives and insurance sectors. These teams employ distinct approaches to navigate ESG demands, for example supporting financial services organisations in defining their ESG and responsible investment strategies, in adapting to regulatory changes and leveraging technology and data management approaches in managing ESG commitments.

We hope that our sustainability efforts continue to build trust across our diverse stakeholder groups, including investors, clients, employees, and industry bodies.

Highlights from the year

There have been a number of key developments across the Alpha Group in identifying and progressing ESG goals. This year we:

- Conducted a materiality assessment and developed our ESG roadmap, involving analysis of the needs of a wide range of our stakeholders and assessment of benchmarking data from the AIM ESG specialist third-party consultancy, Addidat;
- Set our first Group diversity target for women and nonbinary employees in our global director team (25% in five years);
- Conducted our first UK Gender Pay Gap disclosure;
- Became a member of the UN Guiding Principles reporting framework;
- Continued to deepen and refine our emissions reporting under SECR, working closely with Normative; a partnership now in its second year;
- Released our first standalone Sustainability Report;
- Produced our first Task Force on Climate-related Financial Disclosures report;
- Increased the level of our annual Carbon Disclosure Project reporting;
- Conducted Energy Saving Opportunity Scheme reporting in the UK; and
- Made our first voluntary submission to the UN Global Compact demonstrating how we integrate the global leading responsible business principles into our operations.

Strong governance

As a growing business, maintaining strong governance is central to our operations and strategy.

This year we have focused on ensuring our governance frameworks and policies are a continuing strength for Alpha, including maintaining robust oversight and proper business practices; an increasing area of interest with our stakeholders.

We continually scan the regulatory horizon and assess the Group's exposure to and appetite for risk, which may result in the development of new policies and processes, or updates to existing policies and processes. Further information on Alpha's risk management framework is detailed in the Risk Management section of the Strategic Report on pp 52–56.

This year, we have combined our policies into a newly created and publicly available Corporate Compliance Manual.

Compliance with these policies by all employees is supported by our policies and adherence framework.

Alpha's policies and adherence framework

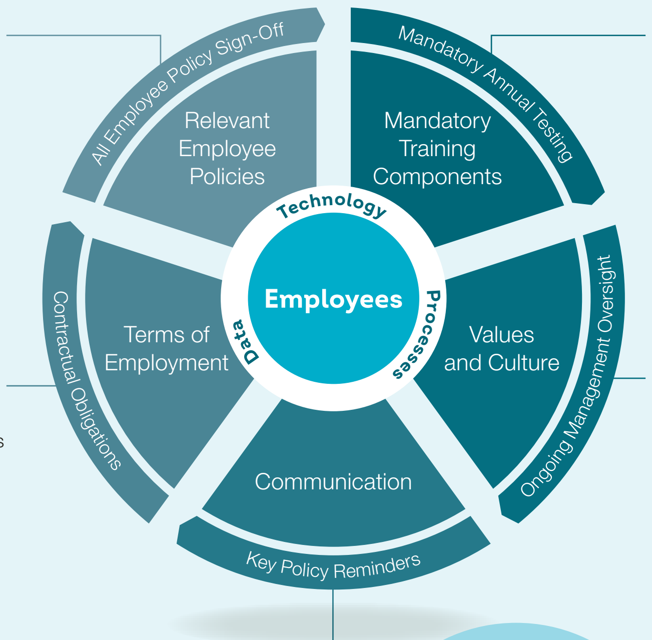
The framework ensures that our operations meet the stringent requirements expected of a public company, that we adhere to the highest ethical standards, and that our policies are easily accessible and complied with by all Alpha staff.

Relevant Employee Policies

Effective adherence to policies comes from an understanding of their practical implications and importance. Alpha's extensive employee policies and guidelines clearly define expected behaviours and procedures. To support this, any new joiner must read core policies as part of onboarding and employees more broadly must acknowledge any updated policies systematically.

Terms of Employment

Alpha's employment agreements and contracts include relevant and rigorous clauses both to enforce confidentiality, and to require all people to comply with the Group's policies and procedures. These terms are fundamental to employment practices.



Mandatory Training Components

All employees complete annual training on policies where there is a regulatory angle or where we determine a significant level of potential risk to our business or business functions. Training includes reinforcing the components of the policy, testing individuals on their understanding, and capturing attestation.

Values and Culture

Our corporate values (see p. 36) are underpinned by integrity, collaboration and responsibility. We monitor those attributes through relevant core competencies in our success frameworks, which are assessed annually. Acting with integrity and corporate citizenship are of high importance and they encompass compliance with company policies and those of our clients.

Communication

We send annual reminders to our team on the importance of training and attestation of key policies. Communications are also sent during the year if there are new policies or policy components. Alpha will also use communication channels to highlight any practical examples of when a policy is relevant or has applied.

The external transparency of our policies is also a key focus and we have published the Corporate Compliance Manual[22] on the Alpha website.

22 Our Corporate Compliance Manual includes the following policies: anti-bribery and corruption, Criminal Finances Act: anti-facilitation of tax avoidance, Modern Slavery statement, whistleblowing policy, sanctions policy, MNPI share-dealing policy, conflicts of interest and outside business interests policy, equity diversity and inclusion policy, information security policy, business continuity policy, and privacy policy.

Strong governance *continued*

Corporate Governance Code

As in previous years, Alpha continues to align with the QCA Code, reflecting our dedication to maintaining the highest standards of corporate conduct. In 2023 the Code was updated, and the first disclosures in line with this are required in 2025. The Group has taken proactive steps to ensure that it complies with these new principles for the financial year beginning 1 April 2024.

The corporate governance report on pp 70–75 sets out further information about the Group's governance framework and how the Board complies with the principles of the QCA Code.

Board diversity

As well as being important for Alpha's own D&I programme, the diversity of Board members is a key interest for external stakeholders and a focus of emerging regulation.

The Group believes that the Board's current composition brings an appropriate diversity of skills, personal qualities, credentials, and perspectives and the Board benefits from a balance of gender diversity. You can read more about Board diversity at Alpha in the Nomination Committee report on p. 77.

Information and cybersecurity

Alpha remains committed to maintaining a secure operational environment, which is crucial for protecting our business, investors, employees, and clients from the threat of cyber-attacks and data breaches. As part of this ongoing commitment, we ensure that cybersecurity and information security form a fundamental part of operations, management responsibilities and oversight discussions. We recognise that while technology and specialist third parties form the backbone of our cybersecurity measures, our staff will often represent the first line of defence. We have a number of security pillars in place to ensure that they are adequately prepared in identifying and responding to any cyber, information or data security threats. We conduct simulated phishing exercises at least quarterly; we mandate annual training and attestation on Alpha's data handling policy; we ensure that information security policies and support contacts are accessible; and we conduct ad hoc training on cybersecurity hot topics as appropriate.

This training and testing forms part of our broader cybersecurity approach that is managed by Alpha's Head of IT, supported by an Information Security lead. Executive oversight for the security framework comes from the Group's Managing Director. This framework includes:

— Comprehensive suite of information security policies and procedural controls, based upon best practices from NIST framework. Policies are reviewed annually and disclosed publicly in the Corporate Compliance Manual on our website;

— Third-party securities operations centre ("SOC") that monitors the network 24/7 for suspicious activity or anomalous behaviour that could pose a threat to the Group;

— Regular promotion of good cyber hygiene across the global Alpha workforce with annual mandatory learning, testing, regular training campaigns and assessments;

— Two factor authentication log-in, industry-leading cloud security tools and auto-backups managed by cloud vendors;

— Appropriate due diligence, vetting and annual auditing of cloud providers to validate information security and risk posture;

— Quarterly effectiveness review and adjustments of our infosec processes in line with continual improvement of Alpha's security posture;

— Proactive testing of technical defences through external team exercises, annual penetration tests of internet facing assets, anti-virus software real-time scanning, and internal phishing assessments;

— A Data Privacy Working Group that manages incident response; and

— Extensive cybersecurity insurance policy coverage.

While a strong cybersecurity framework is required Group wide, this is particularly important for Aiviq due to its product offering. Aiviq adopts a Zero Trust security approach, and since November 2021 has attained ISO27001 certification, which is regularly audited and renewed annually. In 2024 Aiviq will be recertifying, as per the ISO27001 stipulations. In addition, Aiviq obtained its Cyber Essentials Plus certifications this year, bolstering the security of the business further.

These combined measures allow the Group to provide a secure and reliable service for employees, clients and other stakeholders, which is vital to the long-term sustainability of the business.

Read more about the management of information and cyber risks in the principal risks section on p. 59

ESG governance and reporting

The ESG Committee of the Board, oversees the development and implementation of the Group's ESG strategy and roadmap. The Committee works alongside senior leadership and the Responsible Business team, who support the Group in regulatory horizon scanning, addressing ESG demands, and progressing Alpha's ESG roadmap.

In early 2024 we delivered an important milestone by publishing our first standalone Sustainability Report. A key objective of this report was to provide transparency and increase engagement between Alpha and stakeholders on ESG focus areas and objectives. An important part of this has been the completion of a comprehensive ESG materiality assessment to align our strategy with best practices and stakeholder expectations, and to identify the key issues and opportunities that Alpha should prioritise in its ESG roadmap.

Alpha remains fully compliant with all current applicable ESG regulation, which includes fulfilling the following ESG reporting requirements:

Publicly available disclosures	Availability
Energy use (greenhouse gas) reporting (UK), in line with Streamlined Energy and Carbon Reporting ("SECR")	p. 47
Task Force on Climate-related Financial Disclosures ("TCFD")	pp 48–51
The Energy Savings Opportunity Scheme regulations ("ESOS")	alphafmc.com
UK Companies Act and Climate Change Act	Annual Report, various sections
Modern Slavery Act	alphafmc.com
Gender Pay Gap reporting in the UK and Gender Equality Index Score in France	alphafmc.com
Governance, risk and compliance ("GRC") requirement for a reporting framework	Annual Report, Sustainability Accounting Standards Board ("SASB") disclosure, pp 154–157

Alpha also voluntarily aligns with the United Nations Global Compact ("UNGC"). The Human Rights, Labour, and Anti-Corruption Principles are integrated in our policies, as referenced in the Strong Governance section of this report. We continue to make strides with the Environment Principles, as detailed in the environment section on pp 46–47 and further in our Sustainability Report. We will continue to review our alignment bi-annually and engage with the UN Global Compact team on a quarterly basis.

Alpha also aligns with the Carbon Disclosure Project ("CDP") when engaged to do so by clients, providing a view of our sustainability performance to support their procurement processes. We have again this year reported to Ecovadis for our French operations and achieved a Silver rating, which confirms that the approaches we take across sustainability and managing risk are above average for our industry.

Social

At Alpha, we recognise that our people are our greatest strength, and understand that the success of the Group is directly linked to the empowerment, performance, and wellbeing of our team. Our efforts will continue to allow the business to provide a diverse, inclusive and engaging workplace for all, over the long term.

Diversity, equity and inclusion

Alpha is an equal opportunities employer, and we know that taking steps to improve diversity, equity and inclusion ("DEI") in the workplace is key to ensuring an equitable future for all, which in turn supports our intention to be a company where everyone can thrive and contribute to the success of the Group.

In recognition of this, the past year represents a pivotal moment in our journey. This year, to further substantiate our DEI ambitions, we set our first diversity target: for 25% of our global director team to be women or nonbinary in five years. Our baseline for that target is 13%, as reported in our 2023 Annual Report, and we are pleased to report that our director team comprises 16% women and nonbinary individuals (as of 31 March 2024).

This target was defined through extensive internal consultations, including 40 workshops with over 50 senior stakeholders across the business. Our target is also data driven, closely linked to the Global Equal Opportunities survey information. The survey was launched in 2023, and has seen a strong initial uptake, enabling us to assess the Group's diversity profile now and on an ongoing basis.

Please see our SASB disclosure on p. 156 for further details on this target. We will report on our progress against this target in future years, as well as the development and delivery of our action plans and diversity targets.

Initiatives and networks

At Alpha, our commitment to diversity and inclusion continues to be a fundamental part of our culture, underpinned by an active global programme of volunteers. Central to this are the six voluntary employee-led networks, which each play a crucial role in shaping our corporate culture. These cover Disability Confidence, Ethnic and Cultural Diversity, Gender Equality, Social Mobility, Pride and Wellbeing.

Each network provides a platform for dialogue, awareness-raising, learning, planning, and action, contributing significantly to our DEI initiatives and ESG roadmap. Example initiatives from our global teams in the last year include the launch of an anonymous speak-up platform, social mobility-focused internships, and DEI training programmes for leadership and staff, using both online and third-party providers. For example, Alpha partnered with Leqture for International Women's Day to host an online event series covering a range of topics including gender equality, allyship, inclusion and leadership.

The Social Mobility Internship that sits within the UK Insurance business is an excellent example of how our employee-led initiatives can support DEI at Alpha across a number of key areas. Across 2022 and 2023 we welcomed eight interns, which were 50% female, 66% from diverse or mixed ethnicity backgrounds and all from non-fee-paying schools. Interns received a competitive gross salary which we have since increased further to align with that of a full-time analyst, effective this summer. We offered full-time graduate positions to five of the eight, a strong conversion rate.

We are delighted to support the launch of new groups that resonate with local topics and social importance; for example, in the year a North American Asian Pacific Network was launched within the team. We are proud to have such a strong level of engagement, which supports our action setting linked to the ESG roadmap and reinforces our probability of success.

Employee framework

We are delighted to have a talented team of industry leading consultants at Alpha and recognise that the engagement and satisfaction of our team are vital to the success of the business. We believe that Alpha should seek not just to bring together the best and most talented people, but to provide a fantastic place to work and an environment where everyone can flourish.

We foster long-term retention through the opportunities that we offer, our culture and our frameworks for development, support and feedback.

While our teams are delivering on some of the industry's most challenging change projects, ensuring that we prioritise wellbeing and support is of paramount importance. We have established HR, mentoring and employee oversight frameworks across all global locations and levels. At the same time, we continue to invest in our learning and development opportunities, which seek to build confidence consulting skills and industry content, at all stages in the employee journey.

> "Alpha is committed to providing a diverse, open and inclusive workplace. We know that taking steps to improve diversity and inclusion in the workplace is key to ensuring an equitable future for all."

We are committed to providing an open, interactive and collaborative working environment. To this end, there are opportunities throughout the year to actively gather the insights, priorities, and sentiments of our team members. This helps us to focus our attention on what matters. The looking after our people section of the Annual Report on pp 36–39 provides more detail about the employee experience at Alpha.

Corporate social responsibility

Our social responsibilities and the impact we have in the communities in which we operate are extremely important to us. We promote ethical conduct, social responsibility, and a corporate culture that values fairness and positive actions at all times.

Alpha's Corporate Social Responsibility ("CSR") vision and activities in this area are executed mainly through the work of our internal CSR team, which is employees participating on a voluntary basis, while supported by the Group's Responsible Business team.

Our community focused activities include fundraising, pro bono consulting, volunteering, outreach networks and mentoring.

We are very proud of our long-standing voluntary charitable work and our main Group-wide CSR initiatives in our Charity of the Year ("COTY") programme.

In 2023, our COTY programme raised more than £20,000 alongside delivering valuable volunteering initiatives and pro bono work. In the UK and Europe, the team raised £13,758 for The Institute of Imagination, a pioneering education charity that designs and delivers creative workshops across the arts, sciences and digital technologies for children aged 5–11 years old. In North America, the team raised $10,000 for Greenwood Project: a charity that partners with companies in the financial services industry to create accessible career pathways for Black and Latinx students.

These efforts reflect our ongoing commitment to making a positive impact within the communities we serve and marks the eighth year of running our COTY programme. The programme is run regionally with employees from each region voting on their charity of choice each year. This allows us to tailor our support more effectively and deliver more impact and engagement with local communities.

Suppliers

As a responsible business, we ensure that our supplier relationships are in line with legislation and best practices, which is supported by a new supplier code. We are in the process of rolling out this code which will be issued to new key suppliers, and existing ones upon contract renewal. The code includes expectations around environmental responsibility, anti-modern slavery action, and health and safety minimum standards. We also assess the policies of our suppliers in areas such as social policies, employee wellbeing and, in the UK, payment of the Living Wage. This helps us maintain our dedication to fair and responsible business practices across all aspects of our operations.

Modern slavery

We are committed to combating and preventing modern slavery, human trafficking, and exploitation. We have procedures and policies in place throughout our own business and our supply and procurement chains to support this. A copy of these can be found on our website in our Corporate Compliance Manual. These processes are reviewed annually, and Alpha's Modern Slavery Statement is ultimately approved by the Board.

Human rights

In 2023, Alpha proudly became a member of the UN Guiding Principles Reporting Framework. This membership enhances our commitment to human rights and social responsibility but also aligns with our strategic approach to integrating sustainable practices across all levels of our operations.

Environment

With growing evidence of the reality and impact of global warming, it is critical that we understand our environmental impact and play our part in combatting climate change.

As a professional services firm our direct carbon footprint is smaller than that of high-emitting industries. However, environmental stewardship remains an important part of our ESG strategy, and we recognise a clear global imperative for emission reduction.

Due to the growth of the business, Alpha is in scope of new environmental regulatory demands this year to report in alignment with the TCFD framework for the Group, see pp 48–51, and with the ESOS regulations for our UK operations, for which we will submit our notification of compliance in August 2024.

Alpha's carbon footprint

We are committed to reducing our emissions and aim to develop our science-based carbon reduction plan and communicating our net zero ambition and targets in the year ahead. In the meantime, we offset where we cannot reduce our emissions, and we have again this year offset our Scope 2 and calculated emissions globally via a verified scheme.

Ensuring the quality and accuracy of our data related to carbon emissions, and tracking and reporting on them are key first steps in setting meaningful targets. We continue to complete this activity Group-wide, working closely with carbon reporting firm Normative, a partnership now in its second year, who are helping us to both understand our emission data and improve our calculations. This important work is setting the foundations for us to reduce our emissions and communicate our Net Zero ambition.

The total Scope 2 and 3 emissions for FY 24 were 3,420 tCO_2e. Scope 2 emissions account for approximately 4% of our total emissions, with the majority (3,294 tCO_2e) coming from Scope 3 emissions categories. Alpha has no Scope 1 emissions to report.

Our total emissions have risen by 263 tCO_2e year on year, and our revenue intensity metric has also increased from 13.8 to 14.5 tCO_2e/£m revenue. The year-on-year increases in our emissions reflect increased average global headcount, including in APAC, with the acquisition of Shoreline, as well as an increase in employees working from our offices or client sites, increasing Scope 2 and Scope 3 commuting and business travel emissions.

As we develop our data collection and analysis methodologies, we will continue to update and enhance our emissions calculations and disclosures in line with evolving best practice and the GHG Protocol. This will also include bringing new Scope 3 categories into our carbon footprint calculation that are appropriate for assessing the impacts of our business model, geographic reach, and professional services profile.

Carbon reduction

Our efforts to reduce carbon emissions include continuing to work with service providers and property managers to expand our purchase of renewable energy globally, as well as working with our clients to minimise business travel wherever practical. Alongside the initiatives of our global CSR team, we continue to raise awareness and educate our people about the environmental impacts of activities. We encourage them to think about implementing measures that could reduce our carbon footprint, such as in travel, whilst still considering our commitments to fulfilling client relationships and service delivery.

Adherence to mandatory and voluntary initiatives, notably ESOS in the UK, Ecovadis in France, and TCFD and CDP globally, all support and help deliver against our environmental strategy, performance and journey towards net zero.

Reviewing and potentially expanding our Scope 3 GHG emissions reporting will be a part of developing our net zero plans as we consider the materiality of our supply chain and aim to increase understanding and explanation of our carbon footprint. We will use this work to seek opportunities to reduce the Group's impact on the environment.

Environmental reporting and disclosures

We have calculated our carbon emissions and reporting in line with SECR, as well as voluntary reporting of selected supply chain (Scope 3) emissions, and Group-wide energy usage and resulting emissions.

SECR table

Emissions

		FY 24 tCO_2e			FY 23 tCO_2e			FY 22 tCO_2e		
Scope	Activity	Total	UK	Global excl. UK	Total	UK	Global excl. UK	Total	UK	Global excl. UK
2	Purchased heat	52.3	33.1	19.2	67.7	25.0	42.7	4.8	1.8	3.0
	Purchased electricity	73.0	19.2	53.8	32.5	1.8	30.7	15.5	3.1	12.4
3	Flights	2,373.9	756.1	1,617.8	1,125.7	369.8	755.9	333.7	150.5	183.2
	Public transport	445.2	204.2	241.0	1,566.7	655.8	910.8	12.3	9.4	2.9
	Taxis/car mileage	142.7	47.6	95.1	89.1	36.3	52.8	22.3	10.7	11.6
	Working from home	332.6	147.7	184.9	274.7	111.4	163.3	164.8	68.1	96.7
	Total	**3,419.7**	**1,207.9**	**2,211.8**	**3,156.3**	**1,200.0**	**1,956.3**	**553.4**	**243.6**	**309.8**

Energy

		FY 24 MWh			FY 23 MWh			FY 22 MWh		
Scope	Activity	Total	UK	Global excl. UK	Total	UK	Global excl. UK	Total	UK	Global excl. UK
2	Purchased heat	208.6	163.2	45.4	358.6	122.5	236.1	65.8	50.1	15.7
	Purchased electricity	401.7	225.2	176.5	221.5	80.2	141.3	158.7	104.9	53.8
	Total	**610.3**	**388.4**	**221.9**	**580.1**	**202.7**	**377.4**	**224.5**	**155.0**	**69.5**

Intensity Metrics

		FY 24			FY 23			FY 22		
Scope	Activity	Total	UK	Global excl. UK	Total	UK	Global excl. UK	Total	UK	Global excl. UK
2 & 3	£m of revenue	235.5	91.5	144.0	228.7	87.4	141.3	158.0	72.1	85.9
	tCO_2e per £m of revenue	**14.5**	**13.2**	**15.4**	**13.8**	**13.7**	**13.8**	**3.5**	**3.4**	**3.6**

Notes:

1 Alpha does not have any offices where it owns or controls the boilers, but rather purchases heat from each building's management; hence the consumption of grid-supplied gas is classed as Scope 2 emissions and the associated conversion factor has been used.

2 Normative, our third-party provider has used Exiobase, BEIS, Defra, Ecoinvent and other sources for emissions factors. The accounting methodology Normative follows is the Greenhouse Gas Protocol – Corporate Standard. Alpha supplied the working from home calculation following the EcoAct Homeworking Emissions Whitepaper (2020).

3 Where we have not been able to obtain activity data we have used estimations in line with the GHG Corporate Reporting Methodology.

4 Where km travelled have not been recorded in our expense systems for travel receipts, we have used a spend-based methodology in line with the GHG Corporate Reporting Methodology.

5 We are dependent on our service providers and office management companies providing accurate data.

Task Force on Climate-Related Financial Disclosures

This report has been produced in line with the new climate-related reporting requirements in accordance with Section 414CB of the Companies Act 2006, which is aligned with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations.

This is the first time that the Group has reported in line with TCFD. The associated analysis and disclosures allow us to identify and monitor the impact of climate on our business and are being overseen by the ESG Committee of the Board with support from the Group Responsible Business team.

The Audit and Risk Committee considered numerous climate-related risks that might impact the Group but concluded that none identified are principal risks to the Group.

Governance

Strong governance that embeds climate change in decision-making across the business

The governance framework for managing risk, which covers environmental risk (including climate) and social risk, is available in the Risk Management section of the Strategic Report.

The ultimate responsibility for Group-wide risk and opportunity governance lies with the Board of Directors and can be viewed in the corporate governance report. The Board has delegated certain responsibilities to the ESG Committee and the Audit and Risk Committee to ensure that the Company's overall strategic direction aligns with its ESG goals, including climate-related objectives and risk management.

The ESG Committee has specific responsibility for considering climate-related ESG risks and opportunities in connection with the Company's operations. It meets at least twice a year, with part of these meetings dedicated to overseeing the development and implementation of the Group's ESG roadmap and strategy, which includes climate-related risk and opportunity response plans. After every meeting, an update is provided to the Board by the ESG Committee in the form of minuted decisions and discussion to enable alignment on ESG matters throughout the year. For details of this process, see the ESG Committee report on pp 78–79.

Significant findings and recommendations on risks and opportunities from the ESG Committee are integrated into the broader risk management framework overseen by the Audit and Risk Committee. It meets at least three times a year, with sessions focused on evaluating the Company's risk policy and principal risks, including those related to climate. The significance of these climate-related risks is assessed, and the risk policy is updated annually. Further detail is in the Risk Management section of the Strategic Report on pp 52–56.

The ESG Committee is accountable for converting priorities, including output from the Board and the Audit and Risk Committee, into actionable tasks within the ESG Roadmap.

The ESG Steering Committee[23] is accountable for defining the ESG roadmap, including climate-related risk and opportunity response plans. Implementation is managed by the dedicated and appropriately skilled Responsible Business team, with oversight from the Group Head of Risk & Responsible Business. Alongside this, business contacts and senior leaders across the Group are engaged regularly.

Stakeholder feedback is considered on an ongoing basis, including that from investors and clients, and we undertake industry benchmarking to help inform our ESG strategy and climate governance. There is also engagement with the Remuneration Committee to ensure that any aspects of remuneration linked to ESG-related objectives are appropriately aligned to the ESG roadmap and reflect investor and other expectations.

There is common membership of the ESG, the Audit and Risk, and Remuneration Committees (albeit that each committee has a different Chair), which facilitates a coordinated approach to risk evaluation and management. Lines of communication between the Chairs of these committees and the Responsible Business team are also maintained outside of scheduled meetings to ensure ongoing engagement and timely responses to emerging issues outside of the scheduled meetings.

Relevant reports:

▶ **Risk management on pp 52–56**

▶ **Corporate governance report on pp 70–75**

▶ **ESG Committee report on pp 78–79**

Risk management

Integration of climate-related risks into our Group-wide risk management approach

Alpha's risk management framework combines clear governance, robust processes and controls, and a strong culture of risk awareness among all employees. Climate-related risks and opportunities are identified, assessed, and managed within the Group's existing framework, taking both a top-down and bottom-up approach. Details of this can be found in the Risk Management section of the Strategic Report.

Alongside our risk management framework, effective management of business risks including being a good corporate citizen is embedded into our performance management process which is applicable to every employee across the Group.

This is the first year Alpha has undertaken reporting in line with TCFD. Whilst we already identify the climate-related risks as part of the risk management framework, we also conducted a scenario analysis to identify and assess climate-related opportunities that present to the business see p. 51.

Relevant reports:

▶ **Risk management on pp 52–56**

23 The ESG Steering Committee includes the Chief Executive Officer, Group Managing Director, and Group Head of Risk & Responsible Business.

Strategy

An ambition and strategy that considers climate change and its impact across the Group

As part of our first TCFD aligned climate impact assessment, we conducted a qualitative scenario analysis to test the long-term resilience of our business with considerations across the whole Group. Two scenarios were chosen, which stress tested the extremes of potential future states – intense physical climate change in the "Hot House World", and a proactive transition to a low-carbon world in the "Net Zero by 2050":

1. **Hot House World:** results in a temperature rise of 4°C by 2100.
2. **Net Zero by 2050:** limits warming to <2°C by 2100.

The impacts of the risks and opportunities were assessed against three time-horizons:

- **Short-term: FY 25** – occurring now or imminently.
- **Medium-term: FY 26 to FY 28** – aligns with the Group's medium-term office leases and service arrangements, new business activities, and the current strategy to double the business by 2028[24].
- **Long-term: FY 29 to FY 50** – aligns to the UK Government's Net Zero pledge and the longer-term potential physical impacts of climate change.

A range of risks and opportunities were assessed in the scenario analysis against the likelihood of occurring in the three timeframes and the financial exposure to the Group. All were considered against the risk policy for social and environment risks and none are considered material (>5% of our annual spend). This is primarily due to the nature of the professional services industry we operate in, as well as our business model, including the locations of our offices and the flexibility of our operating model.

The analysis indicated that climate risks are not expected to have a significant impact on our business, particularly in the short to medium-term. There may be a level of impact in the long-term, which will be monitored via our risk management framework. Overall, the analysis highlighted the climate resilience of our business, and indicated the potential for growth in some of our products and services in response to the climate transition.

We have reported the six risks and one opportunity of most significance, detailing the impact and our response, alongside the scenario analysis output, on the next two pages. These were included in our reporting as they were deemed to have a medium or high likelihood of occurring across one or more of either of the scenario timeframes, and/or to have a medium financial exposure rating.

These risks will continue to be monitored by the Audit and Risk Committee and are recorded in the risk register for monitoring. The Group regularly reviews and updates policies to ensure compliance with all applicable environmental and social regulatory standards, and this is captured within the "regulatory environment" principal risk, which can be found in the Principal Risks and Uncertainties section of the Strategic Report.

As per the regulation, we will repeat the scenario analysis of climate-related risks and opportunities in three years, if the business model undergoes significant change, or if the regulation guidance changes – whichever is sooner.

Relevant reports:

▶ **Climate-related risk and opportunity matrix on pp 50–51**

▶ **Climate-related risk and opportunity scenario analysis on p. 51**

▶ **Principal risks and uncertainties on pp 57–60**

Metrics and targets

The ways we assess our climate-related risks and opportunities to monitor progress

Alpha is currently monitoring and reporting on Scope 2 and selected Scope 3 greenhouse gas ("GHG") emissions, which provide ongoing metrics to help in assessing the Group's management of its climate-related transition risks and opportunities.

The Group is committed to Net Zero, and in this coming financial year will develop its Net Zero target and plan, which includes baselining our emissions. This will allow for more detailed risk and performance tracking and will be overseen by the ESG Committee once fully implemented.

The GHG metrics and the Net Zero target will also be integrated into Alpha's risk management framework, ensuring that we align our strategic decision-making processes with our long-term climate objectives.

Relevant reports:

▶ **Reporting on our Scope 2 and 3 carbon emissions, and our SECR report can be found on p. 47**

24 The statement that the Alpha Group's growth plan has an ambition to double the size of its business by 2028 is aspirational only and should not be construed as a profit forecast within the meaning of the Takeover Code. There can be no certainty that Alpha will achieve its ambition, which is subject to various assumptions, risks and uncertainties that could cause Alpha's growth to differ materially from its expressed ambition.

Strategic Report
TCFD continued

Climate-related risk and opportunity matrix

Physical climate risks

Theme	Description and impact	Response plan
Chronic (longer term shifts in weather patterns) **and Acute** (increased frequency and severity of extreme weather events)	An increase in extreme weather events or a chronic/prolonged higher temperatures and sea levels, may result in potential business disruption and loss of service. Examples of this include: — Property damage, and potential legal liabilities; — Challenges for office cooling, and increases in energy costs to control these environments; — Lowered team morale and wellbeing, ability to work, and physical health; and — Additional disruption in parts of our business or our supplier's business outside of our core operational locations. This may impact project delivery and the Group's supply chain, and negatively affect our reputation and revenue.	Alpha's largest revenue generating offices are primarily located in areas where acute and chronic climate risk is lower (UK, East Coast US). Offices in higher risk areas such as Australia and California constitute a smaller percentage of our revenue – however, they will still be monitored and planned for. Regardless, we have business continuity and disaster recovery policies that are regularly reviewed and updated, to handle emergencies effectively. In addition, we have a robust flexible working framework which has been tried and tested with success during the COVID-19 pandemic. This enables work to continue when offices may be inaccessible. Moving forwards, we will consider climate-risk factors in our decision process when obtaining/leasing new office spaces for our team, including any offshore arrangements that may be pursued. We utilise global enterprise grade cloud-based data centre providers that have strong business continuity processes and are investing in climate adaptations/Net Zero alignment, mitigating against the risk of data centre disruption and price rises.

Transition risks

Theme	Description and impact	Response plan
Regulatory (policy and legal)	Potential for higher costs incurred for energy consumption, and via transportation, and carbon taxation/offset requirements.	Due to the business model and industry of the Group, our energy consumption and transportation costs are relatively low. However, we will monitor the cost of any potential carbon taxes and consider the impact on our operations.
	Failure to comply with evolving regulations related to GHG emissions could result in financial penalties, legal risks, and damage to the firm's reputation.	We will continue to monitor for new climate-related regulations to enable a response in a timely manner to help mitigate risk of fines and engage external support if required. We have a well-defined process for identifying and managing regulations that may impact the Group which includes: — Ongoing horizon scanning across Alpha's geographies and markets in order to identify and meet emerging requirements in all contexts: as a consultancy provider, a listed company, and a business organisation; — Regular engagement and proactive dialogue with regulators, industry bodies and advisers, as well as Alpha's own client Regulatory Compliance Consulting practice; — Regular review and update of the Group's policies and processes to promote and ensure compliance with all applicable regulations; and — Ongoing diversification and expansion of the service offering, which can reduce the overall impact on the Group of particular new or changing regulation.
Reputation	There is a potential for loss of revenue if we fail to meet investor, client and supplier climate expectations and requirements.	We will maintain open communication channels with clients, investors, and suppliers, promptly addressing any concerns or complaints, and demonstrating transparency and integrity in all business dealings. As noted above, we will scan for any incoming regulatory demands that these stakeholders may be subject to that require Alpha's input, to ensure we are responding effectively and delivering in line with these.
	If Alpha (or Alpha's clients) make net zero/climate commitments that they are unable to achieve, this could impact Alpha's reputation and result in lost revenue.	We will set realistic and tangible targets based on available data and careful analysis to avoid the risk of them being unattainable. We will also seek to improve the available data on an ongoing basis and are currently using a third-party tool to help us track and analyse our emissions impact. We are also planning for a travel survey to obtain better information on employee commuting. To ensure alignment and progress, we will conduct regular audits, implement internal controls, and provide ongoing staff training where relevant. From a client perspective, we will actively engage with them to promote responsible environmental stewardship and support them in achieving their Net Zero targets.
Technology	Moving to new applications, data management processes or technology in order to align with regulation or reporting requirements, or to support the Group's own environmental policies and climate targets, which could incur higher costs for the business.	Our current systems presently support our reporting requirements, but we will monitor this risk as it is unlikely to impact the Group in the short to medium-term. In the long-term, monitoring the revenue, available debt, and cash reserves of the business will be important to ensure any potential increased costs are able to be absorbed.

Opportunities

Theme	Description and impact	Response plan
Products	Potential growing demand for consultancy services that specialise in providing guidance on sustainable practices, carbon footprint reduction, and climate risk management. It may also open more opportunities for Alpha to partner with technology and data-based companies to deliver solutions and new projects across our propositions and especially alternatives. By leveraging its expertise in ESG integration and climate risk management, Alpha can attract new clients, enhance its market share, and drive revenue growth.	Our solid growth over 20+ years, proves that we understand the structural drivers of the market, and can innovate and enhance the service offering accordingly, including developing of market-leading technology and data capabilities. This is enabled by an effective and coordinated director team working across multiple geographies and sectors. The Group will proactively engage with our clients to understand their evolving needs around climate change, and to offer tailored consultancy services and strategic products that can help them navigate new regulatory expectations, customer and investor demands, and climate challenges.
Technology	Increasing availability of new green technology and improvements in existing technology in response to the climate transition will open new opportunities to the Group and may have a positive impact including: — Reduced costs as technology becomes more efficient and less energy intensive; — Ability to improve our technology stack and supply chain to make it greener and reduce our emissions; — The opportunity to consolidate our technology stack and move to one provider that is the most ESG-friendly, instead of being spread across multiple; and — Better availability of ESG data that will inform our client projects and internal ESG decisions.	We monitor the availability of new technology, and how it could positively impact the Group if implemented. When engaging with suppliers in our procurement process, we will question them on the technology used and the environmental benefits or implications of such to inform our decision-making process.

Climate-related risk and opportunity scenario analysis

Impact

H High M Medium L Low

				Likelihood					
				Scenario 1: Hot House			Scenario 2: Net Zero by 2050		
Risk type	Risk	Summary description	Financial exposure*	FY 25	FY 26 – FY 28	FY 29 – FY 50	FY 25	FY 26 – FY 28	FY 29 – FY 50
Physical risks	**Acute and Chronic**	Potential business disruption and loss of service induced by extreme/chronic weather events	Medium	L	M	H	L	M	M
Transitional risks	**Regulatory**	Higher costs due to carbon taxation/offsets	Low	L	L	L	L	M	H
		Failure to comply with evolving regulation	Low	L	L	L	M	M	M
	Reputation	Failure to meet client and supplier Net Zero requirements	Medium	L	L	L	L	M	L
		Alpha/Alpha's clients unable to achieve their Net Zero commitments	Low	L	L	L	M	M	L
	Technology	Higher costs of environmentally friendly technology	Low	L	L	L	M	M	M
Opportunities	**Products**	Increased demand for ESG services and data services	Medium	L	L	L	M	H	M
	Technology	Increased availability of green technology	Low	L	L	L	L	M	H

* **Financial exposure** estimated % of annual spend: Low < 1%; Medium 2–4%; High 5% or more.

Risk management

The Group continuously enhances its risk management practices to reflect its geographic reach, scale, business profile and the evolving external landscape. Underpinned by a comprehensive risk management framework, its approach integrates clear governance, robust processes and controls, and promoting a strong culture of risk awareness among all employees.

Overview

The Group's business organisation, and the industries in which it operates, expose it to a number of potential risks arising from internal or external events and actions. The Group manages risk actively and closely in order to limit potential adverse effects on the implementation of its strategy, the financial performance and on the interests of its clients, shareholders and employees.

The main objectives of the risk management framework are to ensure that there is:

- A strong corporate culture of risk awareness and responsibility embedded at all levels of the organisation;
- Mitigation of ongoing risk as far as possible, without unduly affecting the Group's competitiveness and flexibility;
- Proactive identification and reporting of risk information, with clear management and mitigation responsibilities; and
- Provision of a suitable basis upon which the Audit and Risk Committee and, ultimately, the Board can assess the effectiveness of the Group's risk management and internal controls.

Risk governance

The Board has overall responsibility for risk monitoring and management at Alpha, and ensures that risks that could impact the fulfilment of the Group's strategic objectives, including growth trajectory, are monitored and managed effectively. The Audit and Risk Committee provides assurance to the Board on the appropriateness of the Group's risk processes, controls and governance, including reporting.

The Audit and Risk Committee, alongside the Board, is responsible for overseeing and reviewing the key risks facing the business, principally through the formal meetings of the Committee and quarterly risk reporting. The Board decides whether these risks should be avoided, mitigated or tolerated. The Group follows a "top-down" and "bottom-up" approach to monitoring and managing risks. Top-down strategic risk management is directed from the Board and applied through the actions of the executive team and wider senior management. Bottom-up operational risk management is implemented through the engagement, risk awareness and corporate responsibility of all Alpha employees, supported by Alpha's operations functions.

Risk assessment

The effective management of risk requires governance, oversight and management, all of which are key components of Alpha's robust risk management framework and underpin the Group's ability to execute its strategy and deliver long-term growth. In managing risk globally, Alpha identifies risks both strategically and on a daily basis, closely monitoring risk exposures by considering their probability and potential impacts, and undertaking any management actions to mitigate them with appropriate risk responses.

Alpha's risk management framework is built around its business model and strategy, and comprises six key components. All risk management adheres to this process, which emphasises the importance of business integrity, transparency and accountability. The framework is cyclical and ensures the effective handling of all emerging and identified organisational, strategic and relevant external risks, while permitting the opportunity for continual monitoring and improvement.

The Group's main tools for managing risks are its risk register and its statement of risk appetite. Alpha's risk register records the detail of risks that could have a material impact on the Group's performance, financial resilience or reputation. It is overseen by the Group Coordination Committee and maintained using information and perspectives from the core business and operations functions of the Group (please see the risk management governance on p. 52 for more details).

For the risk register, risks are assessed using a scoring system that captures the likelihood of their occurrence and the impact that they would have on the Group. This approach allows the Group to consider risks, identify trends and define responses centrally and consistently.

The statement of risk appetite defines the type and amount of risk that the Group is willing to take in order to achieve its strategic objectives, which has been agreed by the Board. The Group then assesses whether it is operating in line with its stated risk appetite by monitoring movements in its key risk indicators, which are incorporated in the Board's risk reports.

Group risks are reviewed, discussed and challenged centrally by the executive team through the Group Coordination Committee. The Group Coordination Committee, supported by Alpha's Group Risk function, considers the risks that are or could be of significant impact to the business and its strategy, and determines which risks should be escalated to the Board. As the Group Coordination Committee represents all areas of the business and operations, it is also able to agree the approach to and coordinate the implementation of relevant risk mitigation actions.

Reporting decisions are documented so that the assessment and escalation approach can be reviewed by the Audit and Risk Committee as part of its assurance responsibilities. In exceptional circumstances, where the risk is of a sensitive business nature, it may be raised on an individual basis with the Chief Executive Officer, who can present that risk directly to the Board.

The most material current risks to the Group are presented in the Annual Report as the principal risks and uncertainties (see pp 57–60). The Board confirms that, having applied the approach described above, a robust assessment of the principal risks and uncertainties has been carried out.

Alpha's approach to risk management

Risk appetite

We use our risk appetite to tell us which risks we will and will not tolerate. We define the level of risk we can support (H.M.L); and apply qualitative limits on specific risks that can be monitored ("key risk indicators").

Risk context

We target risks that emerge from our industry and operating environment (the "risk context"). We use governance forums, including monthly risk oversight and bi-monthly business function meetings, to proactively capture and understand emerging risks and future events.

Assessing risks

We assess risk using a structured process and consistent scoring approach, which takes account of probability and impact. The assessment of each is documented on the Group Risk Register.

Responding to risks

We regularly review our risks, identify trends and respond with actions that allow continuous improvement and development through systematic horizon scanning and ongoing assessments of external markets events, to define key principal risks and wider risk themes. Each risk must be owned and updated by a Risk Owner, who is a member of the Group Coordination Committee or Divisional Leadership.

Reporting risk

We provide assurance that risk is managed, escalated, treated and mitigated. Risk reports from across the Group, and the processes of control can be assessed by the Audit & Risk Committee.

Governing risk

We govern risk through executive oversight and responsibilities covering all business areas.

Risk policy and categorisation

The Group's risk policy is reviewed at least annually and enhanced periodically so that it remains relevant, taking into account any emerging risks such as those linked to climate change. As part of this, the Group ensures that it has effectively identified the areas in which risks may arise, and could need to be monitored or managed. To do this, the Group categorises and assesses risk exposures using the following main groupings:

Operational risk

The Group's approach to minimising operational risk is to centralise relevant processes and oversight frameworks through the leadership team, which includes the Group Managing Director, and global leads from Operations and IT, HR and Recruitment, Responsible Business, Legal and Corporate Affairs. Operational risks are mitigated through operational processes and, where required, projects that are designed to strengthen the control environment, manage the delivery of change effectively and protect Alpha's competitive standing with regard to people and quality of service.

Industry and market risk

The Group's approach to minimising industry risk is to undertake a regular assessment of the market and its influencers, including regulatory, political and structural change, and to maintain a close dialogue with market participants, such as clients, competitors and industry bodies. This review is delivered through the Group's defined corporate governance responsibilities, wherein the directors and regional leadership manage those relationships on a day-to-day basis and communicate the key findings and perspectives to the Group Coordination Committee and, in turn, to the Board of Directors.

Financial risk

The Group's approach to minimising financial risk is to manage utilisation, day rates, costs and cash collection actively and closely. The Group's target is for client projects to be chargeable mainly on a time and materials basis, and to ensure that consultants' time is recorded and billed each month.

Otherwise, the Group ensures that any delivery-based arrangements have clear milestones for invoicing. A considerable amount of attention is paid to consultant utilisation and day rates, and their alignment to budget, which are reviewed and monitored by the heads of region alongside the Group Finance team.

Environmental and social risk

The Group's approach to minimising environmental and social risk is predicated on maximising the benefits and minimising the downsides of the Group's economic, social and environmental impacts. Within this category, the Group monitors a number of individual risks including transition risk, which is the risk inherent in any changing strategies, policies or investments as part of any "net zero" or other societal targets, and its ability to meet the requirements of new regulation. Alpha has an ESG Committee to oversee ESG risk management and monitor the delivery of the Group's ESG strategy in addressing these matters.

Legal and commercial risk

As a professional services provider, Alpha recognises that it is exposed to risk from inadequate contracts and commercial terms, as well as claims by clients or other parties. The Group's approach to minimising commercial and legal risk is to ensure that consistent guidelines and terms are in place for all contractual arrangements, which is overseen by the Group Head of Legal & Corporate Affairs. This approach is reinforced through strong senior leadership responsibility across relevant areas in which claims and dispute could occur, such as in client delivery. External advice is available and sought where appropriate.

Any risk could impact more than one of the above categories or fall outside the above categories. However, this categorisation facilitates the processes of identifying the risks that the Group faces and for distinguishing the risk appetite across the different categories of risk.

Risk management governance

Top down

Top-down strategic risk management is directed from the Board and applied through the actions of the executive team and wider senior management within operations. The Group's risk function supports the Board, Audit and Risk Committee, and senior management through regular reporting and cascading down processes and decisions about the risk policy.

Bottom up

Bottom-up operational risk management is implemented through the engagement, risk awareness and corporate responsibility of all Alpha employees. The Group's risk function facilitates awareness and structured risk assessment processes, and ensures an appropriate flow of risk information and reporting upwards.

Core business functions can be found on p. 17

Board of Directors

Corporate accountability for risk:
- Assesses and reports on principal risks and uncertainties.
- Agrees the risk appetite.
- Agrees the key risk indicators.
- Determines strategic action points.

Audit and Risk Committee

Corporate assurance:
- Oversight of risk processes and procedure.
- Internal control.
- Assesses effectiveness of risk management framework and reporting.

Group Coordination Committee

Executive responsibility:
- Monitors external environment.
- Oversees business-level risk management activities.
- Monitors key risk indicators.
- Oversees strategic action points.
- Ownership of the risk register.
- Regular engagement with global divisional leadership.

Group Executive Committee

Strategic risk management:
- Oversees definition of the strategy.
- Monitors execution to strategic objectives.
- Identifies and addresses risk to business strategy and direction.

Core business functions and business teams

Operational risk management:
- Monitor operating environment.
- Identify, assess and mitigate operational risks.
- Implement strategic action points.
- Execute policies, training and controls.

Business teams and employees

Operational risk identification:
- Identify and report risks.
- Manage and own risks where relevant to role.
- Participate in risk training and follow risk processes.
- Utilise risk toolkits and develop awareness.

Enhancements to the risk management approach

The Group continues to review its risk management framework annually and updates it to reflect any changes in the Group's risk profile and its operating environment. During the past year, a number of enhancements were introduced to Alpha's risk management framework. These include:

— Continuing to review and update the Group's risk governance to capture the Group's business forums correctly and the integration of any new teams or functions. In the year, this included the integration of the Shoreline business into Alpha's risk monitoring for APAC;

— Amendments to Board risk reporting to align with the review and update of the principal risks in the year. This included the alignment of key risk indicators to support the assessment of those material risks, and increased reporting cycles to ensure ongoing and active risk reporting to the Board;

— Further focus on ESG as this topic continues to grow in terms of regulation, reputational consideration and reporting. This included updating the framework to clarify the responsibilities of the Responsible Business function in managing ESG-related tasks and climate change risks;

— Continuing to build positive engagement and nurture a risk-aware culture across the Alpha business. This has been enacted through relevant communications, attending company meetings to spotlight and support risk topics, and knowledge sharing on business-related matters, including enhancements in the year to client due diligence coordination;

— Further development of risk governance with key operational functions and regional business leadership to ensure regular touchpoints, proactive risk-based discussions and consistent approaches. This included bringing together the Management Consulting and Technology Consulting risk review given the closer collaboration on market and delivery approaches across the two disciplines; and

— Advancements in artificial intelligence ("AI") are prominent in the landscape and present an opportunity for professional services firms like Alpha to adapt accordingly. At the same time, the Group must proactively identify any adoption or security risks that this presents. Alpha's internal governance around technology advancements, including AI, includes representation from IT, Legal and Risk to support this assessment.

In aiming to balance successfully corporate growth and development with the consideration and management of key risks, Alpha reviews its risk framework and the need for any enhancements at least annually. Following the year end, an internal audit was also initiated on the Group's risk management practices and processes, facilitated by Grant Thornton to provide assurance of Alpha's risk management framework in identifying, assessing and managing risks.

Financial risk management

The Group has established internal control and risk management structures in relation to the process for preparing the consolidated financial statements. The key features of this framework are:

— The Group's executive team understands the importance of internal control and of adhering to the principles of risk mitigation on a global, operational basis;

— The Audit and Risk Committee has primary responsibility for reviewing the quality of internal controls and checks, to ensure that the financial performance of the Group can be properly measured and reported on;

— The Chief Financial Officer and Finance team regularly monitor and consider developments in accounting regulations and best practice in financial reporting and, where appropriate, reflect developments in the consolidated financial statements;

— The Group's results are subject to various levels of review within the Group's finance and management teams;

— Both the Audit and Risk Committee and the Board review the draft consolidated financial statements;

— The Audit and Risk Committee receives reports from senior management and the external auditor on significant judgements or estimates, changes in accounting policies, changes in accounting estimates and other pertinent matters relating to the consolidated financial statements; and

— The annual financial statements are subject to external audit.

Market-related risks

The global consulting market experienced a more competitive environment during the financial year – and the supply and demand dynamics continue to rebalance. A longer sales cycle remained in place during the year, which Alpha navigated through resiliently, taking appropriate approaches to reinforce its position, including an ongoing focus on day rates, selective hiring in key growth areas and active management of its cost base.

The Group sees improving market conditions and, with that, more positive market sentiment returning towards the end of FY 24, albeit at a slower pace than first envisaged. The Group continues to see robust client demand and maintains a strong pipeline of new business opportunities. These factors, together with the strong long-term structural growth drivers that underpin demand for Alpha's services and the Group's compelling proposition to clients, provides confidence that the Group is still well positioned for continued growth.

Alpha continues to monitor carefully the dynamics and risks associated with the competitive market environment, which is captured within the macro principal risk.

The Directors and the senior management team also continue to monitor closely the situations in Ukraine, Israel and Gaza as they evolve. Alpha's operational footprint does not extend to those particular areas, and we do not service clients based in those territories. Currently, the principal risk to Alpha is from the wider possible market impacts to the economy (please see "Geopolitical" on p. 58 for more information); however we continue to track and assess the risk of the conflict encompassing wider parts of the Middle East region.

Principal risks and uncertainties

The table below outlines the principal risks and uncertainties faced by the Group. They are not the only risks that may affect the Group, but they are the risks that the Board currently believes would have the most significant impact on the Group's strategy to achieve long-term profitable growth. There may be additional risks that materialise over time that the Group has not yet identified or deemed to have a potentially material adverse impact on the business and the business strategy.

Overview of our principal risks and uncertainties

Risk	Net risk rating	Risk trend
1 Macro	H	Increasing
2 Geopolitical	M	Increasing
3 Business strategy	M	Increasing
4 Data security	M	Increasing
5 Acquisition and integration	M	No change
6 People	M	No change
7 Quality of service	M	No change
8 Competitors	M	Decreasing
9 Regulatory environment	M	Decreasing

Net risk rating: H High, M Medium, L Low

Risk trend: Increasing, No change, Decreasing

1 Macro

Net risk rating: H Risk trend: Increasing

Risk

Risk that wider market, economic, commercial and financial risks can impact the Group's ability to service clients, their demand for consultancy and technology services and, therefore, the Group's own performance and financial position.

Mitigating factors

— Monitoring of key business and growth activities within the Group's geographical locations and sectors, while consistently engaging with key internal stakeholders to identify, and plan around, significant trends or events.

— Regular horizon scanning to identify and assess emerging risks and to ensure an effective, coordinated response to any macro challenges that are identified.

— Business model that is responsive to change and regularly reviewed, and a proven record of developing the proposition successfully to anticipate and meet client needs.

— Ongoing diversification and expansion of the service offering, which can reduce the overall impact on the Group of particular restrictions or challenges in certain geographies or markets where Alpha is operating.

Strategic Report
Principal risks and uncertainties continued

2 Geopolitical

Net risk rating M Risk trend ↑

Risk

Risk that external events and crises can bring significant uncertainty, volatility, and fragility to geopolitics and markets, which can impact both the Group's operating model, employees and ability to deliver on its strategic objectives.

Mitigating factors

— Regular engagement with regional business leads to identify any changes in the geopolitical landscape, as well as considering risks in potential new geographies or operating locations.

— Use of external advisers, international third-party risk and global assistance information to provide real-time security information, risk assessments, news alerts and forecasts for the timely detection of geopolitical risks and global security events.

— Global management governance that is highly responsive to emerging events, and market and geopolitical trends – and ensures an effective, coordinated response to any challenges that emerge.

— A strong track record of considering necessary changes to delivery approaches, operating locations and business focuses; alongside a comprehensive HR and support framework for employees affected by external events, crises and challenges.

3 Business strategy

Net risk rating M Risk trend ↑

Risk

Risk that the Group responds inadequately to changing market factors and/or opportunities, including technological advancements and disruptors. The success of the Group's strategy depends on anticipating changes and developing a proposition that best serves its clients.

Mitigating factors

— Robust business model that involves proactive and adaptive planning and execution, alongside strong governance at a market, sector and service offering level to enable close review of performance and identify any changes to the Group strategy in line with evolving market factors.

— Proven ability, through successful growth and expansion over 20+ years, to understand the structural drivers of the market, and to innovate and enhance the service offering accordingly, including the development of market-leading technology and data capabilities.

— The Group continues to support and drive client demand by identifying and investing in new market-leading service propositions and developing technology complements to support clients across the financial services sectors in which it operates.

— Strong visibility of market advancements and growth opportunities, enabled through an effective and coordinated director team working across multiple geographies and sectors, and a roadmap to increase the business both organically and inorganically.

4 Data security

Net risk rating M Risk trend ↑

Risk

Risk of cyber attacks, security breaches and data mishandling, leading to consequent risks to client data, loss of integrity or availability of core data.

Mitigating factors

— A comprehensive suite of data protection and information security policies, overseen by the Information Security function, to monitor and ensure compliance with processing agreements across key stakeholders and suppliers.

— IT Operations function collaborates with proficient external partners to facilitate the global delivery of the Group's internal and client-facing IT services.

— Best practice controls to prevent, detect and respond quickly to any cybersecurity events and data handling anomalies.

— Policies, processes, testing and training are in place to define the standards of control and educate staff on the operating context and potential risks, including the constantly evolving cyber risk landscape.

5 Acquisition and integration

Net risk rating M Risk trend →

Risk

Risk of failure of the Group to select, complete and integrate businesses that contribute positively to the business model and growth strategy.

Mitigating factors

— Full acquisition due diligence and integration framework, including analysis, planning and mitigation as part of the upfront framework and dedicated integration projects with workstreams across business, commercials and operations for each acquisition.

— The Group's extensive experience of working with clients on high-profile acquisition and integration frameworks is leveraged and constantly refined through the Group's own acquisition activities.

— Continuous monitoring of the market for acquisition opportunities that would support the Group's strategy, positively enhance the offering and client satisfaction, and align with Alpha's culture and values.

— Dedicated project teams assess and integrate the acquired entities, people, processes and systems into the Group and also ensures compliance to Alpha's standards.

6 People

Net risk rating M Risk trend →

Risk

Risk of failure to attract, incentivise and retain the best people with the right capabilities across all propositions, levels and geographies. A failure to undertake effective succession planning for key roles could also adversely increase this risk and impact performance.

Mitigating factors

— Unique culture that values diversity, inclusivity, high performance, meritocracy, sociability, and support, accompanied by a broad and responsive support structure – incorporating HR, individual mentors, and external advice schemes – to ensure a continuous focus on our values and culture, alongside a robust set of policies.

— Rigorous in-house recruitment process, which targets the highest calibre consultants in the industry, demonstrated through Alpha's record of attracting top talent versus the competition and increasing headcount.

— Competitive, regularly benchmarked remuneration package with benefits for career development, recognition, and participation in profit-sharing or cash bonus.

— Extensive focus on retention, building capabilities, and providing targeted learning and development opportunities with a hyperfocus on support, career development, and effective succession planning.

Strategic Report
Principal risks and uncertainties continued

7 Quality of service

Net risk rating M Risk trend →

Risk

Failure to maintain quality of service on client delivery engagements.

Mitigating factors

- Clearly defined terms agreed up front, ensuring that each delivery framework is appropriate and the delivery objectives are achievable.
- Clear client account ownership structures to ensure accountability for client relationships, from opportunity generation, to ongoing monitoring of client satisfaction and fulfilment of agreed delivery criteria.
- Dynamic and integrated risk management framework, which encompasses service delivery oversight, to support the Group's focus on delivery excellence and early risk identification, and promotes business collaboration on both opportunities and challenges.
- Close attention to client satisfaction and retention in the market, as well as the generation of re-sell and cross-sell opportunities, demonstrating the strength of the Group's full client proposition suite and consistency of reputation for quality across all business areas.

8 Competitors

Net risk rating M Risk trend ↓

Risk

Risk that a competitor or new entrant may be able to achieve success and win work from the Group's existing clients. Less mature or more specialist propositions, which the Group chooses to develop, may present less of a competitive advantage.

Mitigating factors

- Continual development and investment in key competitive differentiators, including:
  - Highly focused sector proposition, working exclusively in asset and wealth management, alternatives and insurance sectors;
  - Strong, global reputation amongst clients, with the broad and deep expertise, and very high quality of the Alpha teams as a key competitive advantage;
  - In developing new specialist propositions, Alpha leverages its strong global client relationships and extensive industry insights to earn competitive advantage from an early stage; and
  - Monitoring of the market to identify and assess any changes in competitive position, including growth rates and the link between demand and supply overall.

9 Regulatory environment

Net risk rating M Risk trend ↓

Risk

Risk that the Group does not successfully identify, address and/or meet forthcoming regulation, or that the business model and strategy are materially impacted by legal and regulatory changes that restrict the service offering or access to key markets.

Mitigating factors

- Ongoing horizon scanning and regulatory assessment across Alpha's geographies and markets in order to identify and meet emerging requirements in all contexts: as a consultancy provider, a listed company, and a business organisation.
- Regular engagement and proactive dialogue with regulators, industry bodies and advisers, as well as Alpha's own client Regulatory Compliance Consulting practice, to complement horizon scanning and fully assess regulatory and legal changes.
- Regular review and update of the Group's policies and processes to promote and ensure compliance with all applicable regulations (including ESG regulatory standards).
- Ongoing diversification and expansion of the service offering, which can reduce the overall impact on the Group of particular new or changing regulation while relevant responses are implemented.

Non-financial information and sustainability statement

The Group has complied with the requirements of Sections 414CA and 414CB of the Companies Act 2006 by including certain non-financial information within the Strategic Report. The following table constitutes our non-financial information statement, and includes cross-references to where more detailed disclosures of non-financial information can be found.

Reporting requirement	Principal locations in this Annual Report	Pages	Summary of business application
Business model	Business model – Strategic Report	16–17	An explanation of the Group's business model is given in the business model section of the Strategic Report.
Principal risks	Risk management and principal risks and uncertainties – Strategic Report	52–56	The Board's process for considering and reviewing principal risks is outlined in the risk management and principal risks and uncertainties section of the Strategic Report.
Non-financial KPIs	Key performance indicators – Strategic Report	24–25	The Board approves non-financial KPIs, such as headcount and clients. More information on these can be found in the key performance indicators section of the Strategic Report.
Environmental matters, including climate-related disclosures	Sustainable business – Strategic Report	40–47	Information on the Group's corporate social responsibility objectives, policy and the Group's environmental focus, is provided in the sustainable business section of the Strategic Report.
	TCFD statement	48–51	Information on climate-related risks and opportunities and the governance arrangements that are in place to assess and manage these, are included the TCFD statement.
	ESG Committee report	78–79	
Employees	Looking after our people – Strategic Report	36–39	Our employee-related policies and procedures are available to all employees – this includes policies around wellbeing, 360 feedback, parental leave, etc. More information on how we look after our people is provided in the sustainable business and section 172 statement sections. The Group's Corporate Compliance Manual is available on the Alpha website and is made available to all employees.
Human rights, anti-corruption and anti-bribery	Sustainable business – Strategic Report	40–47	Our anti-bribery and whistleblowing review processes are set out in the Annual Report. The policies are available to all employees and are contained in the Group's Corporate Compliance Manual which is published on the Alpha website. Our human rights approach is detailed in our sustainable business section in the Strategic Report.
	Audit and Risk Committee report – Corporate Governance	80–83	
	SASB disclosure	154–157	
Social matters	Looking after our people – Strategic Report	36–39	Details around our corporate social responsibility approach are explained in the sustainable business section.
	Sustainable business – Strategic Report	40–47	

The Strategic Report was approved by the Board of Directors on 20 June 2024.

By order of the Board.

Luc Baqué
Chief Executive Officer
20 June 2024

Corporate Governance

> "Alpha brings an unparalleled level of expertise and depth of market experience to its work in the financial advice sector. They bring unique insights to the market landscape and are established as our leading consultancy partner in this growing part of the business."
>
> **Director,**
> FTSE 100 advice leader

Chairman's introduction

Ken Fry
Chairman

The Board recognises the benefits of a robust governance framework and remains committed to strong corporate governance, appropriately aligned with the Group's priorities. This includes managing risk, promoting a responsible corporate culture and delivering the growth strategy.

An introduction from the Chairman

As Directors of the Board, we understand that an engaged Board and an effective committee structure facilitates the good governance of the entire Group. As such, we have developed our governance structure to support the Group's continued success and growth. The Board has an Audit and Risk Committee, a Remuneration Committee, a Nomination Committee and an ESG Committee, each with formal delegated duties and responsibilities. The structure of the Board and its committees, together with the executive management of the Group, is set out in the corporate governance report on pp 70–75.

The role of the Chairman is to lead the Board and be responsible for its governance, performance and effectiveness. The Chairman sets the tone for the Company and ensures that the links between the Board and the executive team, as well as between the Board and the shareholders, are strong and efficient.

Recommended cash offer to acquire the Group

On 20 June 2024, the Board of Directors announced a recommended cash offer to acquire Alpha by Actium Bidco (UK) Limited, a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint Advisers Limited, which is expected to be implemented by way of a scheme of arrangement (the "Offer"). Completion of this Offer will be subject to approval by shareholders at a Court meeting and a General Meeting. The timings and arrangements for these meetings will be confirmed in a scheme document to be sent to shareholders. Further information on the Offer can be found on the Company's website.

Should the Offer be approved by shareholders, upon completion of the Offer the Company is expected to be re-registered as a private company, and will therefore no longer be subject to the regulatory and governance framework applicable to public companies. Upon completion of the Offer, it is the intention of the Independent Directors to step down from the Board.

As at the publication date of this report, the Company's shares remain admitted to trading on the AIM market and the provisions of the AIM Rules for Companies and the QCA Corporate Governance Code continue to apply to the Company. Certain aspects of the governance disclosures set out this report relate to the Group's governance arrangements and areas of focus for FY 25, including the Group's new Remuneration Policy as in effect from 1 April 2024. These arrangements remain in place as at the date of publication of this report and will continue to apply to the Group up to the date of completion of the Offer.

The progress of the Offer in the coming weeks will determine whether the Company is required to hold its 2024 Annual General Meeting. A further update will be provided to shareholders on this matter in due course.

Compliance with the QCA Corporate Governance Code

In recognising the importance of high standards of corporate governance, integrity and business ethics, the Board continued to apply the 2018 Quoted Company Alliance Corporate Governance Code (the "2018 QCA Code") during the year ended 31 March 2024. A description of how the Board has applied the principles of this Code is provided on pp 68–69. The corporate governance report on pp 70–75 sets out further information about the Group's governance framework.

The Directors recognise the need to continue developing the corporate governance structure and processes to reflect the evolving requirements of the Group's shareholders, employees, clients and wider stakeholders.

The Board has carefully considered the updates to the 2023 version of the Quoted Companies Corporate Governance Code (the "2023 QCA Code"), and the Company has taken proactive steps to ensure that it is now compliant with these new principles for the financial year beginning 1 April 2024. Furthermore, a process of implementing a number of enhancements to our governance framework has already commenced during the current year, including bolstering the Board evaluation process and the evolution of executive remuneration arrangements. We will report fully against the 2023 QCA Code in our FY 25 Annual Report, in line with QCA recommendations (if still relevant, in view of the Offer).

FY 24 in focus

In FY 24, a number of developments relating to the Board structure and governance framework, as outlined in the FY 23 Annual Report became fully embedded. Luc Baqué formally took on the role of Chief Executive Officer on 1 April 2023, following the completion of a thorough handover from Euan Fraser, the former Chief Executive Officer. Euan supported the Board as a Strategic Adviser until 9 January 2024, which ensured a smooth transition.

"The Board is dedicated to upholding the highest standards of corporate governance. We consider business ethics, integrity, and strong governance fundamental to reducing risk and securing long-term shareholder value."

FY 24 also saw the first full financial year with the ESG Committee in place. This Committee aligns the Board's environmental, social and governance priorities and decision-making processes with internal and external stakeholders, and it has overseen the shaping and implementation of a comprehensive ESG strategy, alongside other disclosures. The Group was pleased to have published its first Sustainability Report and public UK Gender Pay Gap report on its website, and its first TCFD report is published within this Annual Report and Accounts (see pp 48–51). The Group's ESG Committee report on pp 78–79 sets out this Committee's activities during FY 24 and its priorities for FY 25 in more detail.

Several new initiatives and enhancements to the governance framework commenced during FY 24 and will continue to evolve in FY 25. The Remuneration Committee, with the guidance of an external specialist remuneration consultant, undertook a comprehensive review of the Group's remuneration arrangements for the Executive Directors and senior management. This has culminated in a new Remuneration Policy for FY 25, which is more closely aligned with current best practice for a large AIM-quoted business. Details can be found in the Remuneration Committee report on pp 84–94. An important element of this process was proactively consulting with our major shareholders to seek their views on the proposals before implementation.

The Group also took steps to strengthen an already robust risk management process. Under the supervision and direction of the Audit and Risk Committee, the risk policy has been reviewed and updated as part of the annual review process, and an external firm has been engaged to provide internal audit services to supplement the existing audit process. Details of these developments can be found in the Audit and Risk Committee report on pp 80–83.

The Group appointed its first in-house, full-time Company Secretary in June 2023. Following the completion of a structured transition process from Prism CoSec during the year, the Company Secretary works closely with the Board, its committees and the Group's stakeholders, to ensure the governance framework continues to be robust and, importantly, is able to evolve in line with best practice.

In the coming year, the Board will continue to champion the Group's positive culture and robust governance framework and ensure that they remain appropriate and proportionate to the Group's size, complexity, risk profile, and strategic ambitions. The Board will implement further enhancements to the Group's governance credentials during FY 25, including demonstrating progress against the ESG roadmap.

Stakeholders

The Board considers its key stakeholders to be its employees, its shareholders, its clients and the communities in which the Group operates, and understands these relationships facilitate its decision making at an executive level. A statement setting out how the Directors have discharged their duties under Section 172 of the Companies Act 2006, including a description of how the Group has engaged with its key stakeholders, is set out on pp 31–35.

Corporate culture

The Directors believe that the Group's culture, together with a strong emphasis on integrity, business ethics, and good corporate governance, ensures its ability to execute the strategy, deliver the right outcomes for the Group's clients, and create value for shareholders and other stakeholders.

The Board is able to promote and monitor the desired corporate culture across the Group through its engagement with employee representatives, review of relevant policies and decision making at an executive level. The Group's culture and values are described in the Looking After Our People section on pp 36–39.

Ken Fry
Chairman
20 June 2024

Board of Directors

Committee membership key

- A Audit and Risk Committee
- E ESG Committee
- N Nomination Committee
- R Remuneration Committee
- ■ Chair

	 **Ken Fry** Independent Non-Executive Chairman	 **Luc Baqué** Chief Executive Officer	 **John Paton** Chief Financial Officer	 **Penny Judd** Senior Independent Non-Executive Director	 **Jill May** Independent Non-Executive Director	 **Maeve Byrne** Independent Non-Executive Director
Committee membership	**N** A E R			**R** A E N	**E** A N R	**A** E N R
Term of office	Ken joined the Alpha Board as a Non-Executive Director in 2016 and was appointed Non-Executive Chairman of the Group in 2018. In 2025, Ken will have served on the Board for nine years, and succession planning arrangements are therefore under consideration.	Luc was appointed as Chief Executive Officer of Alpha on 1 April 2023.	John joined Alpha as Chief Financial Officer in 2018.	Penny joined the Alpha Board as Senior Independent Non-Executive Director in February 2018.	Jill joined the Alpha Board as a Non-Executive Director in July 2020.	Maeve joined the Alpha Board as a Non-Executive Director on 16 May 2022.
Committee membership	Ken is Chair of the Nomination Committee, and a member of the Audit and Risk Committee, the ESG Committee and the Remuneration Committee.	Luc attends meetings of the Audit and Risk, ESG, Nomination and Remuneration Committees by invitation when appropriate.	John regularly attends the Audit and Risk Committee meetings by invitation. He is also invited to attend meetings of the ESG, Nomination, and Remuneration Committees by invitation when appropriate.	Penny is Chair of the Remuneration Committee and a member of the Audit and Risk, ESG and Nomination Committees.	Jill is Chair of the ESG Committee and a member of the Audit and Risk, Nomination and Remuneration Committees.	Maeve is Chair of the Audit and Risk Committee and a member of the ESG, Nomination and Remuneration Committees.
Skills and experience	Ken was Global Chief Operating Officer at Aberdeen Asset Management for nearly 10 years and has over 30 years' experience in financial services. He has considerable experience integrating acquisitions within the investment management industry and a strong technology and operations background, having undertaken many transformational projects during his career. He directed the integration of major acquisitions while at Aberdeen Asset Management, including assets acquired from Deutsche Asset Management, Credit Suisse Asset Management and Scottish Widows Investment Partners. Ken keeps the skills to support and deliver the Group's strategy up to date by maintaining a wide network of global contacts within the financial services industry. He regularly attends conferences and discussion forums to keep abreast of industry issues and meets with clients, employees, advisers and institutional investors. He also advises on M&A strategy within the investment management and wealth industry.	Luc joined Alpha in 2010 as Head of Asset & Wealth Management Consulting – France from 2010 to 2015, Head of Asset & Wealth Management Consulting – Europe from 2015 to 2020 and Global Head of Asset & Wealth Management Consulting from 2020 until his appointment as Chief Executive Officer of the Group. Luc has over 20 years of experience in the industry. Prior to joining Alpha, he was Head of Change Management at UBS Wealth Management in Paris for five years, and spent six years specialising in financial services with Solving International, a strategy management consultancy. Luc holds a Master's degree in Engineering from École Centrale de Marseille and completed an Executive Program at the Stanford University Graduate School of Business. As Chief Executive Officer, Luc has to understand and manage the interests of a range of stakeholders, including employees, clients, competitors and investors. Luc maintains strong industry relationships, which involves sharing of knowledge and perspective on current themes and topics.	John is a chartered accountant with over 25 years' finance, banking, corporate finance and accountancy practice experience. He started his career at KPMG, working across financial services audit, risk management, financial reporting governance, risk and internal controls, and systems implementations. John joined Alpha from HSBC where he was a Director in both the Global Banking & Markets and Commercial Banking divisions in London. Over his 11-year tenure at HSBC, he advised on a variety of M&A transactions and led loan financings for UK corporates. Prior to this, he focused on capital raisings, including AIM IPOs. While at Alpha, John has managed the financial aspects of the acquisitions and integrations of Axxsys and Obsidian Solutions in 2019, Lionpoint in 2021 and Shoreline in May 2023. He is a member of the Institute of Chartered Accountants of Scotland, graduated LLB (Hons) from the University of Aberdeen and holds an Executive MBA from the University of Bristol and École Nationale des Ponts et Chaussées, France. John's role involves deep knowledge of the Group's management, financial and operational activities, and important corporate and statutory responsibilities. He also maintains a detailed view of industry, financial and regulatory changes and stays updated through dialogue with advisers, regular technical reading, online courses and attending relevant events.	Penny has a strong public markets and financial services background, with over 30 years' experience in compliance, regulation, corporate finance and audit and is a qualified chartered accountant. Prior to joining Alpha, Penny held the roles of Managing Director and EMEA Head of Compliance at both Nomura International plc and UBS AG. She was Non-Executive Chair of Plus500 Limited from 2016 to 2021. Penny maintains the skills to support and deliver the Group's strategy through her experience gained on other listed company boards and has a wide network of contacts in financial services and regulation. She attends various conferences and events covering relevant industry and governance matters, and regularly meets with a range of advisers and institutional investors in AIM and main market companies.	Jill has over 20 years' experience in investment banking, with her executive career spent working in corporate finance for SG Warburg & Co. Ltd (1985–95) and senior positions in group strategy at UBS, where she was a Managing Director from 2001 to 2012. She was a Panel Member (2013–18) and a Non-Executive Director (2013–16) of the Competition and Markets Authority ("CMA") and a Non-Executive Director of the Institute of Chartered Accountants in England and Wales ("ICAEW") (2015–19). Jill maintains a wide network of contacts in financial services and regulation. She attends various conferences and events covering relevant industry and ESG matters and stays updated on ESG regulation and reporting practice developments.	Maeve is a Fellow of the Institute of Chartered Accountants in Ireland and has over 30 years' experience in financial services. She started her career as an auditor with KPMG Ireland and worked in several other KPMG international offices in Europe and North America. Within KPMG, Maeve moved from audit to transaction services where she was a Financial Services Partner from 2002 to 2014. From 2010 to 2013, she was seconded to Royal Bank of Scotland and the Non-Core Division, where she was Chief Financial Officer and a member of the Group Finance Board and Risk & Control Committee. From 2014 to 2017, she held senior executive roles at the Royal Bank of Scotland in Capital Resolutions Group and Williams & Glyn. Since 2017, Maeve has focused on transformation services, offering board advisory services as an independent consultant. She has worked with financial services companies including Santander and clients in the fintech/neobank space. She maintains the skills to support and deliver the Group's strategy by attending events covering relevant industry and governance matters, particularly in relation to her role as Chair of the Audit and Risk Committee.
External appointments	Ken has no other significant commitments or appointments to other publicly traded companies.	None.	None.	Penny is currently Non-Executive Director and Chair of the Audit and Risk Committee of Trufin plc and Team17 Group plc and Non-Executive Chair of FRP Advisory Group Plc. Penny is also Chair of the Audit and Risk Committee of LendInvest plc as at the date of this report, but will step down from this role with effect from the publication of LendInvest plc's annual results in July 2024.	Jill is currently an External Member of the Prudential Regulation Committee at the Bank of England and a Non-Executive Director of abrdn Property Income Trust Limited and JP Morgan Claverhouse Investment Trust plc. She is also an Adviser to the Strategy Committee of James Hambro and Partners, and a Trustee of Tusk, a charity supporting progressive conservation initiatives across Africa.	Maeve has no significant commitments or appointments to other publicly traded companies.

Corporate Governance Code

The 2018 QCA Code requires the Group to apply the 10 principles of corporate governance as set out below and to publish certain related disclosures in the Annual Report, on the website, or a combination of the two. The Group followed the 2018 QCA Code's recommendations throughout FY 24, providing disclosure relating to all the principles in a corporate governance statement on its website. A summary of the Group's compliance with the principles is set out below.

The revised principles of the 2023 QCA Code apply to financial years beginning on or after 1 April 2024 and, in accordance with the QCA's recommendation, the Board will disclose how it has applied the principles of the 2023 QCA Code in the FY 25 Annual Report (if still relevant, in view of the Offer).

Section 1: Deliver growth		Links to the following report section
Principle 1: Establish a strategy and business model that promote long-term value for shareholders.	The business model is premised upon delivering growth through the cross-sell and up-sell of its high-quality service offering to existing clients and the sale of its services to new clients. The strategy is to continue growing in both existing and new jurisdictions by developing the service proposition. In seeking to implement its strategic aims, the Board takes account of the expectations of the Group's shareholder base in addition to its wider stakeholder and social responsibilities.	The Group's business model and strategy are described in the **Strategic Report** on pp 16–23.
Principle 2: Seek to understand and meet shareholder needs and expectations.	Good, consistent engagement with shareholders is given a high priority by the Board. The principal methods of communication with shareholders are through regular, direct executive-level engagement at meetings and capital markets events, the Annual Report and Accounts, the interim and full-year results announcements, the Annual General Meeting ("AGM") and the Group's website, alphafmc.com/investors. The Chairman and Non-Executive Directors are available to meet with shareholders, if required, to discuss any items of importance.	The Group's approach to shareholder communications is described in the **corporate governance report** on pp 70–75. The Chief Executive Officer, the Chief Financial Officer and the Company Secretary act as the main points of contact for shareholders (company.secretary@alphafmc.com). During the year, the Chair of the Remuneration Committee offered to meet with major shareholders in relation to the consultation on the FY 25 Remuneration Policy.
Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success.	The Board, supported by the executive team, is committed to operating a socially and ethically responsible company. Engagement with stakeholders and wider communities ensures alignment of interests and facilitates good decision making.	The Group's community and corporate social responsibility disclosure is provided as part of the **sustainable business** section on p. 45. A separate Sustainability Report is also published on the Group's website. The Group's engagement model with clients and wider stakeholders is described in the **Strategic Report** on pp 31–35.
Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation.	The Board has overall responsibility for the Group's risk management framework, including internal control and risk management systems. In executing this role, it regularly considers and reviews the risks and opportunities facing the Alpha business. The goal of the Board is to set policies that seek to reduce ongoing risk as far as possible, without unduly affecting the Group's competitiveness and flexibility.	The Group's risk management framework is described in the **Strategic Report** on pp 52–56 and in the **corporate governance report** on pp 70–75.

Section 2: Maintain a dynamic framework		Links to the following report section
Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair.	The Group believes that the Board's composition brings a desirable range of skills, personal qualities and professional credentials. Suitable Board operations, access to advice and administrative services, effective induction of new Directors and a regular performance assessment also ensure Board effectiveness.	The Board's composition and operating framework is described in the **corporate governance report** on pp 70–75.
Principle 6: Ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities.	Alpha's Board needs to represent a range of skills and competencies as an AIM-quoted provider of specialist consultancy services to the asset management, wealth management and insurance industries. The Board includes experience in public markets, financial services, governance and audit, the consulting sector, and business operations.	Biographical details of the Directors, including relevant experiences and how skill sets are kept up to date, are provided on pp 66–67 of the **corporate governance report**. All Directors voluntarily offer themselves for re-election by shareholders at each Annual General Meeting.
Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	The Board's objectives are to approve the Group's strategy, budgets and key corporate activities, and oversee its progress towards its goals. The Group has a process for evaluating the performance of the Board, committees and individual Directors in respect of those objectives.	The Board's evaluation framework and FY 24 evaluation process are described in the **corporate governance report** on pp 70–75 and the **Nomination Committee report** on pp 76–77.
Principle 8: Promote a corporate culture based on ethical values and behaviours.	The Board recognises its role in fostering and safeguarding a culture of inclusion, responsibility and openness. These values are embedded throughout the Group's leadership and organisation.	The Group's culture and values are discussed in the **looking after our people** section on pp 36–39. The ESG strategy and roadmap is overseen by the ESG Committee and details of its role and activities are included in the **ESG Committee report** on pp 78–79. The Group's Sustainability Report, which can be found on the Alpha website at alphafmc.com/investors, also provides supporting complementary information on the Group's ESG activities.
Principle 9: Maintain governance structures and processes that are fit for purpose and good decision making by the Board.	The Group operates an effective, streamlined governance framework. In this framework, the Board supports the executive team in developing and executing the Group's strategy, and key decisions are reached through open and constructive dialogue.	A governance chart is provided on p. 74 and processes are described on pp 72–73 of the **corporate governance report**.

Section 3: Build trust		Links to the following report section
Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	The Group places a great emphasis on high standards of corporate governance and effective engagement with its shareholders and stakeholders. In addition to the Annual Report and Accounts, the website is updated regularly with information regarding the Group's activities and performance.	The governance of the Company, which is led by the Board, is described in the **corporate governance report** on pp 70–75. The website, alphafmc.com/investors, provides the Group's reports and presentations, notices of AGM and results of voting on all resolutions at AGMs.

Corporate governance report

Board composition

The Board comprises six Directors: the independent Non-Executive Chairman, three independent Non-Executive Directors and two Executive Directors.

As a leading global provider of specialist consultancy services to the financial services industry and an AIM-quoted company, Alpha requires a range of skills, capabilities and competencies to be represented on the Board, including experience in public markets, financial services, governance and audit, the consulting sector and business operations. The Board is confident that its members have the appropriate balance of functional and sector experience, skills, personal qualities and capabilities to provide constructive support and challenge to the Executive Directors, and to deliver the strategy of the Group for the benefit of the shareholders over the medium to long term. The biographies of the Directors, including a summary of their relevant skills and experience can be found on pp 66–67.

The Board also recognises that, as the Group evolves, the mix of skills and experience required on the Board may evolve and the Board composition will need to reflect those changes. The Nomination Committee has responsibility for succession planning for the Board, its committees and senior management.

A rigorous Board performance evaluation for FY 24 was undertaken during March and April 2024. The evaluation was conducted using a recognised online platform and was followed by an in-person review of the output by the Nomination Committee. The results of Board performance evaluations are used to inform the Group's succession plans and any Board development needs. Further details of the FY 24 Board evaluation review, including the scope of the review and key findings, can be found on p. 77.

Roles of the Directors

The Group operates an effective, appropriate governance framework. The Board has collective and ultimate responsibility for establishing a strategy and business model that promotes long-term value for shareholders. The Board is supported by the Group's executive team, led by the Chief Executive Officer, in developing and executing the Group's strategy.

The Executive Directors have strong knowledge of the operations of the Group, the interests of its stakeholders, and its market and financial positions. Senior executives below Board level attend Board meetings upon request to present and discuss business strategy and updates.

The Executive Directors that served on the Board throughout the year were Luc Baqué, as Chief Executive Officer, and John Paton, the Chief Financial Officer. Luc Baqué was appointed as Chief Executive Officer on 1 April 2023, following a structured transition from Euan Fraser, the outgoing Chief Executive Officer. To maximise continuity, Euan Fraser undertook a part-time role as Strategic Adviser to the Board between 1 April 2023 and 9 January 2024.

The independent Non-Executive Directors of the Board are Ken Fry, Penny Judd, Jill May and Maeve Byrne. They were selected with the objective of increasing the breadth of skills and experience of the Board, bringing constructive and independent challenge to the Executive Directors and monitoring their performance. The Non-Executive Directors are also responsible for the effective running of the Board's committees and ensuring that the committees support and facilitate the strategic priorities of the Board.

Penny Judd is the Senior Independent Non-Executive Director ("SID"). The principal role of the SID is to act as a sounding board for the Chairman and to serve as an intermediary for the other Directors when necessary. Penny is also available to shareholders should they wish to discuss concerns that they feel have not been resolved through the normal channels of engagement with the Chairman, Chief Executive Officer or Executive Directors, or for which such contact is inappropriate.

At the head of the Group, there is a clear delineation of responsibilities between the Chairman of the Board and the Chief Executive Officer. The Non-Executive Chairman leads the Board and is responsible for its governance, performance and effectiveness. This includes ensuring that the dynamics of the Board are functional and productive and that no individual Director dominates discussion or decision making. In this role, the Chairman sets the tone for the Company and ensures that the links between the Board and the executive team, as well as between the Board and the shareholders, are strong and effective. Meanwhile, the Chief Executive Officer is responsible for the day-to-day management of the Group's global operations, for proposing the strategic plan and focuses to the Board, and for implementing the strategic goals agreed by the Board.

Board of Directors Responsible for establishing the Company's strategic direction and overseeing a robust framework of governance.	Ken Fry	Independent Non-Executive Chairman
Executive Directors Responsible for day-to-day management of the Company's business operations and delivery of Group strategy.	Luc Baqué	Chief Executive Officer
	John Paton	Chief Financial Officer
Non-Executive Directors Responsible for providing independent challenge to, and oversight of the performance of, the Executive Directors.	Penny Judd	Senior Independent Non-Executive Director
	Jill May	Independent Non-Executive Director
	Maeve Byrne	Independent Non-Executive Director

Board independence

The Board considers an independent Non-Executive Director to be free from any relationship that might materially interfere with the exercise of independent judgement.

The Non-Executive Directors are considered to be independent and therefore the Board is compliant with the QCA Code on the topic of Director independence. All Directors are encouraged and expected to use their independent judgement and to challenge all matters, whether strategic or operational.

Appointments to the Board and re-election

The Board has delegated to the Nomination Committee the task of reviewing Board composition, searching for appropriate candidates and making recommendations to the Board on candidates to be appointed to the Board. Decisions regarding the appointment and removal of Directors are reserved for the full Board. Further details are set out in the Nomination Committee report on pp 76–77.

Under the Company's Articles of Association, the Directors have the power to appoint new Directors during the year, but any person appointed by the Board since the last Annual General Meeting is obliged to retire and offer themselves for re-election. Furthermore, in accordance with recommended best practice, all Directors intend to offer themselves for re-election at the 2024 AGM (if held). The Board considers that each of the Directors offering themselves for re-election makes a valuable contribution to the Board and demonstrates commitment to the Group.

Diversity

The Board values diversity in its broadest sense and is committed to creating an inclusive culture, free from discrimination of any kind. When assessing new Director appointments, the Nomination Committee considers the benefits of diversity for better decision making and diversity of thought, in addition to looking at how to maintain within the Board the appropriate balance of skills, independence and knowledge of the Company, its services and the industry as a whole. Recognising the benefits that diversity can bring to all areas of the Group and noting the recommendations in the reports of the Hampton-Alexander review and the FTSE Women Leaders review[25], women currently represent 50% of Alpha's Board, including the role of Senior Independent Director.

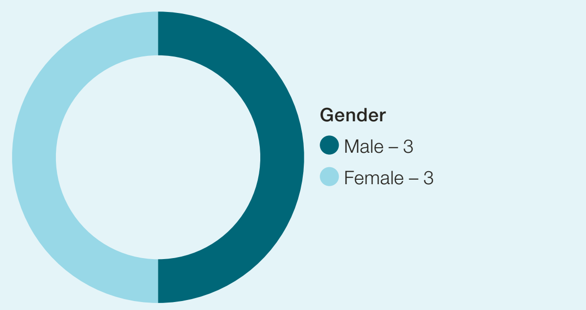
The Group has a comprehensive Diversity & Inclusion programme, which was first established in 2015 and which has evolved steadily year on year. Diversity & Inclusion initiatives are run voluntarily by members of the global Consulting team, supported by the Group Responsible Business function, and overseen by the ESG Committee. Alpha is committed to a positive policy of promoting equality of opportunity and diversity, providing an inclusive environment, and eliminating any unfair or unlawful discrimination, which applies to all offices, all business areas and all levels from graduate to the Chief Executive Officer.

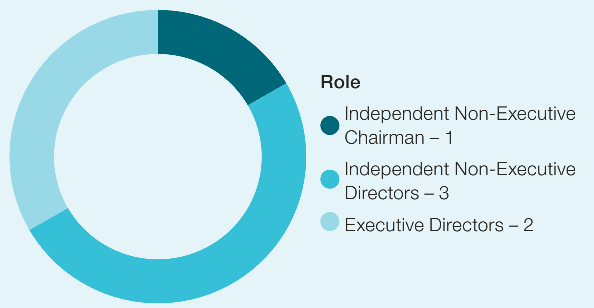
In order to consider the effectiveness and priorities of the Diversity & Inclusion programme, the ESG Committee receives regular updates on the programme. The Group has a Social Responsibility Lead who, working alongside senior business leads, helps ensure that Alpha's governance, recruitment and internal processes are managed and evolving appropriately to deliver a sufficiently diverse group of candidates, hires and employees.

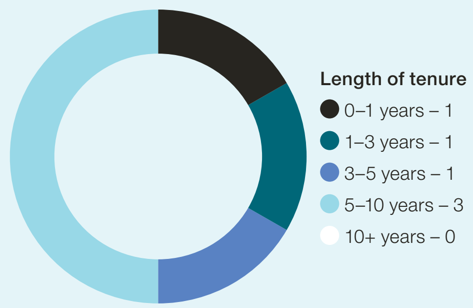
The Board is committed to supporting tangible actions that will support diversity across the entire Group, and in April 2024 the Group publicly communicated its first Group-wide diversity ambition. This is for 25% of the global director team to be women or nonbinary in five years' time.

Read more about the Diversity & Inclusion programme and policy within our Sustainability Report

Board statistics







25 Refers to the Hampton-Alexander review and FTSE Women Leaders review (UK) into increasing the number of women on boards and in senior leadership positions. The final report of the Hampton-Alexander review was published in February 2021; the latest report of the FTSE Women Leaders review was published in February 2024.

Corporate Governance
Corporate governance report continued

How the Board operates

The Board is responsible for the Group's strategy and overall management. The operation of the Board is documented in a formal schedule of matters reserved for its approval, which sets out the Board's responsibilities.

The Board is required to meet at least six times a year. During the financial year, nine Board meetings took place. Five of these meetings were held in person and four of these were held via video conference facility. A number of ad hoc calls and Board committee meetings were also held to discuss topical or time sensitive matters, to approve financial results announcements and trading updates, or to implement decisions taken by the Board as a whole under delegated authorities. The Board also held dedicated strategy sessions with input from senior management in April and September 2023, in line with the schedule of annual Board activity.

The Directors seek to attend all meetings of the Board and the committees on which they sit and ensure that they allocate sufficient time to the Group as is needed to enable them to carry out their responsibilities as Directors.

The time commitment required of all Non-Executive Directors is currently three days per month, which is set out in their letters of appointment. During the year, the Board reviewed the time commitment of the Non-Executive Directors and is satisfied that each of the Directors dedicates sufficient time to the Group's business.

The Board and committee schedules are planned in advance of the financial year ahead, in order to facilitate attendance and ensure that the appropriate discussion time is available. The number of meetings of the Board held during FY 24, and the attendance by each Board member are provided below:

Board member	Eligible to attend	Attendance
Ken Fry (Chairman)	9	9
Luc Baqué	9	9
Maeve Byrne	9	9
Penny Judd	9	9
Jill May	9	8*
John Paton	9	9

* Ad hoc meeting held by video conferencing facility, which Jill May was unable to attend due to pre-existing arrangements.

The Board has an agenda of regular business, financial and operational matters for discussion, as well as a review of each of the Board committees' areas of work. The key activities of the Board meetings during the year included the following:

Strategic	Discussed the strategy and reviewed the progress of strategic priorities. Discussed the Group's capital structure and financial strategy. Considered and approved the acquisition of Shoreline. Reviewed and discussed the Group's acquisition strategy and potential acquisition targets. Received presentations from members of the senior management team, covering key regions and business areas.
Performance	Approved the financial reporting, including interim and full-year results. Reviewed the dividend policy and approved a final dividend of 10.50p per share in relation to the year ended 31 March 2023. Considered and declared an interim dividend of 3.70p per share for FY 24.
Governance and risk	Under the supervision of the Audit and Risk Committee, reviewed and updated financial and non-financial policies, including the risk policy and the whistleblowing policy, and reviewed and agreed updates to the Group's risk policy and risk management framework, including the principal risks. Under the supervision of the ESG Committee, reviewed and approved the ESG roadmap. Discussed and monitored the regulatory and compliance landscape and reviewed corporate governance requirements and processes, including reviewing the 2023 QCA Corporate Governance Code. Under the supervision of the Remuneration Committee, reviewed the existing Remuneration Policy and agreed updates to this, to take effect from 1 April 2024. Appointed the Group's first in-house Company Secretary.
Stakeholders	Continued an open dialogue with the investor community. Reviewed the progress of key client relationships and engagements across the Group. Reviewed the actions taken by senior management to review and support employee retention and wellbeing.

The Chairman, aided by the Company Secretary, is responsible for ensuring that the Directors receive accurate and timely information for the Board meeting. Board packs are circulated at least four business days prior to the meeting.

The Company Secretary provides minutes of each meeting and every Director is aware of the right to have any concerns documented. In addition, the Company Secretary ensures that any feedback or suggestions for improvement of the Board papers are documented and evaluated for amendment or enhancement with respect to future meetings of the Board.

Committees of the Board

The Board has in place Audit and Risk, Remuneration, Nomination and ESG Committees, each with delegated responsibilities and duties set out formally within terms of reference. The terms of reference for the individual committees are reviewed regularly and approved by the Board.

From time to time, separate ad hoc committees may be set up by the Board to consider and address specific issues or objectives, when the need arises.

Audit and Risk Committee

Responsible for monitoring the integrity of the Company's financial statements and overseeing the effectiveness of the Company's systems of risk management and internal control. The Audit and Risk Committee report can be found on pp 80–83.

Nomination Committee

Responsible for the structure, size, composition, effectiveness and succession planning of the Board. Further information can be found on pp 76–77.

Remuneration Committee

Responsible for setting fixed and variable Executive Director remuneration and monitoring senior management remuneration levels. Further information can be found on pp 84–94.

ESG Committee

Responsible for the development and implementation of the Group's ESG strategy. The ESG Committee report is included on pp 78–79. Further information about the Group's ESG priorities, efforts and progress can be found in the sustainable business section on pp 40–47.

The structure and operation of the Board's committees were considered by the Board as part of the FY 24 Board evaluation. The Board concluded that the composition of each committee remained appropriate, and that each committee was operating effectively. This year saw the first full year of operation for the ESG Committee and the publication of the Group's first ESG Committee report and its first Sustainability Report. Further information about the key areas of activity and focus of this Committee can be found on pp 78–79.

External advisers

The Board members may seek the advice of the Group's legal advisers, corporate brokers, external auditor and the Nominated Adviser ("NOMAD") on matters within the Board or the committees' terms of reference, or to obtain recommendations on specific corporate or governance events. During the year the Board also appointed Grant Thornton to conduct internal audit services (see p. 81 for details) and the Remuneration Committee appointed h2glenfern to provide advice on remuneration matters (see p. 93 for details).

Investec is the Group's NOMAD, as well as its joint broker alongside Berenberg. The Directors have direct access to the advice and services of an in-house Company Secretary.

Development, information and support

The Company Secretary ensures that all Directors are kept abreast of changes in relevant legislation and regulations, with the assistance of the Group's other advisers where appropriate. Executive Directors are subject to a performance review and development process through which their performance against predetermined objectives is reviewed and their personal and professional development needs are considered. Non-Executive Directors are encouraged to raise any personal development or training needs with the Chairman or Company Secretary. During the year, training undertaken by the Board included refresher training from the Company's NOMAD on the obligations on AIM-quoted companies, and training on pertinent ESG matters, including diversity and inclusion.

Board effectiveness

The objectives of the Board are to review, formulate and approve the Group's strategy, to review, discuss and agree budgets and key corporate activities, and to oversee the Group's progress towards its goals. The Group has a structured process for evaluating the performance and effectiveness of the Board, its committees and the Directors individually in respect of these objectives. In addition, the Chairman assesses the Board as a whole regularly to ensure that it is functioning efficiently and productively.

A formal Board evaluation process was undertaken during March 2024 and April 2024 in respect of FY 24, with oversight from the Nomination Committee. A variety of approaches were considered for the FY 24 evaluation, including enhancing the existing internally-led process and the engagement of an external Board evaluator. Following careful consideration, the decision was taken to introduce an online board evaluation platform, "BoardClic", to enhance the process. Details of the FY 24 Board evaluation, including the areas covered by the review and the key findings, are detailed in the Nomination Committee report on p. 77.

Board structure

Alpha Board
Agrees Group strategy
Oversees progress towards strategic goals
Shareholder and stakeholder engagement

Key
Ex Executive
A Audit and Risk Committee
E ESG Committee
N Nomination Committee
R Remuneration Committee

Chairman of the Board
Leadership of the Board
Reviews performance of the Board Directors
Ensures appropriate and effective corporate governance

Ex – Group Coordination Committee
Management of business operations
Coordination of commercial activities
Maintains Group governance structure

Ex – Group Executive Committee
Monitors and addresses strategic direction of the Group's business
Execution of strategy and proposes any changes to the strategy
Monitors coordination, cross-selling and effective decision-making across the Group business model

A – Audit and Risk Committee
Ensures effective systems of internal control and risk management
Oversees the Group's financial reporting
Appoints and oversees the relationship with the external auditor and oversees the internal audit process

E – Environment, Social and Governance Committee
Oversees development of the ESG strategy and agrees associated targets
Reviews implementation and progress of the strategy
Ensures appropriate ESG priorities within Alpha's governance and business model

N – Nomination Committee
Reviews Board composition and balance of skills
Leads the process for Board appointments
Ensures appropriate succession planning

R – Remuneration Committee
Agrees remuneration policies for the Executive Directors and members of senior management
Ensures operation of transparent, simple and effective incentive schemes
Considers alignment of reward with long-term shareholder value

Chief Executive Officer
Chief Financial Officer
Global Head, Lionpoint
Group Managing Director
Global Head, Aiviq
Global Head, Asset & Wealth Management Consulting
Global Head, Insurance Consulting

Conflicts of interest

The Company has effective procedures in place to identify, monitor and manage any conflicts of interest. At each meeting of the Board or its committees, the Directors are required to declare any interests in the matters to be discussed and are regularly reminded of their duty to notify any actual or potential conflicts of interest. The Company's Articles provide for the Board to authorise any actual or potential conflicts of interest if deemed appropriate to do so.

Internal controls and risk management

The Board has overall accountability for the systems of internal control and risk management. The Audit and Risk Committee reviews and assures the effectiveness of the Group's internal controls and risk management on the Board's behalf.

As part of that duty, the Board determines the Group's risk management appetite and policies. In this respect, the objective of the Board is to set policies that seek to reduce ongoing risk as far as possible, without unduly affecting the Group's competitiveness and flexibility. The Board believes that this approach serves the interests of creating sustainable shareholder value while also protecting the Group's corporate culture and other stakeholder interests.

Engagement calendar FY 24

April 2023 – Pre-close investor meetings
April 2023 – Pre-close trading update
June 2023 – Full-year results virtual roadshow, UK and Europe
September 2023 – Private client broker and shareholder meetings, UK
September 2023 – Annual General Meeting
October 2023 – Pre-close investor meetings
October 2023 – Pre-close trading update
November 2023 – Interim results virtual roadshow, UK and Europe
March 2024 – Trading update
March–April 2024 – Investor conference calls, UK and Europe

The operational functions of the Group are carried out within a practical and effective risk management framework. The Group Coordination Committee has executive responsibility for identifying and managing risk effectively across the business. Any material operational decisions made by the Group Coordination Committee in this respect are reviewed by the Board.

The identified material operational, industry and market, financial, environmental and social, and commercial and legal risks facing the Group are also reported to the Board. A summary of the principal risks and uncertainties, as well as mitigating actions, are provided in the Principal Risks section of the Strategic Report. The Board formally reviews, agrees and documents the principal risks to the business at least annually.

Alpha has a full-time Group Head of Risk & Responsible Business who oversees Alpha's risk framework and processes. During the year, the Audit and Risk Committee reviewed the Group's risk policy along with the risk framework and internal controls, and subject to certain updates, it was agreed that they were appropriate for the operating context and business model. The Group's risk management processes and any opportunities to introduce further enhancements are regularly reviewed and changes are implemented as appropriate.

Shareholder communications

The Board places great emphasis on maintaining an effective dialogue with shareholders, which it considers to be integral to long-term growth and success. It is committed to communicating consistently and openly with shareholders.

The principal methods of communication are the Annual Report and Accounts, the interim and full-year results announcements, the AGM and the Group's investor website, alphafmc.com/investors. The website is updated regularly with information regarding the Group's governance, activities and performance, including both statutory and non-statutory regulatory news announcements, which are issued throughout the year to update on financial, operational and other matters.

The Chief Executive Officer and Chief Financial Officer meet with the representatives of the Group's institutional investors as well as investment analysts to ensure that the Group's corporate objectives, strategies and operational developments are clear and understood.

In-person and virtual investor roadshows are held following the announcement of the final and interim results, attended by the Chief Executive Officer and Chief Financial Officer, and there are also ad hoc investor meetings that are part of the building of relationships with existing and future shareholders. Details of investor relations activity and a review of the shareholder register are shared with the Board on a regular basis during the year.

Understanding what analysts and investors think about the Group is an equally important component of these interactions. The Board as a whole is kept informed of their feedback and views by the Chief Executive Officer and Chief Financial Officer. This includes information provided by the Group's joint corporate brokers, Berenberg and Investec, following investor meetings. The Chairman and Non-Executive Directors are also available to meet with shareholders, if required, to discuss any items of importance.

The Board will also engage directly with major shareholders on certain strategic matters where this is accepted good practice. For example, during April 2024 a consultation with major shareholders was undertaken in relation to the Group's FY 25 executive remuneration arrangements and updates to the Remuneration Policy. Further details can be found on p. 86.

Annual General Meeting

On 20 June 2024, the Board announced a recommended cash offer to acquire Alpha by Actium Bidco (UK) Limited, a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint Advisers Limited. Further details can be found on p. 64 and on the Company's website. If this Offer is completed, it is expected that the Group will be re-registered as a private company, in which case it may no longer be necessary for the Company to hold a 2024 AGM, depending on the timing of that re-registration. A further update will be provided to shareholders in due course.

By order of the Board.

Ken Fry
Chairman
20 June 2024

Nomination Committee report

Membership

Ken Fry (Chair)
Jill May
Maeve Byrne
Penny Judd

Key actions from FY 24

- Enhanced the existing Board evaluation process.
- Ensured a smooth transition and induction for the Chief Executive Officer.
- Reviewed succession plans for the Board and senior management.

Priorities for FY 25

- Progress actions identified from the FY 24 Board evaluation process.
- Consider any training and development needs for Board members.
- Further review succession plans for the Board and senior management to ensure that these remain up to date.
- Undertake succession planning for the Chair, who will have served on the Board for nine years in 2025.

Ken Fry
Chair of the Nomination Committee

The Nomination Committee leads the process for Board appointments and makes recommendations about Board composition and succession planning.

On behalf of the Board, I am pleased to present the Nomination Committee's report for the year ended 31 March 2024.

Committee composition and governance

The Committee is composed wholly of independent Non-Executive Directors. It is chaired by the Chairman of the Board, Ken Fry, and its other members are Penny Judd, Jill May and Maeve Byrne. All members served throughout the year.

The Nomination Committee meets as and when necessary, but at least twice a year. The Nomination Committee met formally twice during FY 24 and all members of the Committee attended both meetings.

In the event that the matter under discussion relates to the Chairman's re-appointment or succession, the Committee is chaired by an independent Non-Executive Director. The Group's Company Secretary attends each meeting, and the Chief Executive Officer and Chief Financial Officer are invited to join meetings as appropriate.

Key responsibilities

The Committee's main duties are set out in its terms of reference, which are reviewed annually and are available on the Company's investor website (alphafmc.com/investors/board-committees).

The purpose of the Committee is to keep under review the structure, size and composition of the Board, as well as succession planning for the Directors. It leads the process for identifying and nominating, for approval by the Board, candidates to fill Board and committee vacancies.

The Committee follows a robust process for recommending appointments and re- appointments to the Board. Its primary responsibilities in this area include:

- Regularly reviewing the structure, size and composition of the Board to ensure that it has an appropriate balance of skills, independence, knowledge, experience and diversity;
- Considering succession planning for the Board Directors and senior executives, taking into account the challenges and opportunities facing the Company and wider Group, along with skills and expertise that may be required in the future;
- Identifying and nominating for approval by the Board candidates to fill Board vacancies as and when they arise;
- Ensuring that the necessary due diligence and conflicts of interest checks have been undertaken before an appointment is made;
- Monitoring whether satisfactory induction is provided to new Directors to develop their knowledge of the Group, and their Board and committee responsibilities; and
- Reviewing the results of the Board evaluation process and ensuring that the conclusions are captured and actioned where necessary.

Activities during the year

Chief Executive Officer appointment and transition

On 1 April 2023, following the completion of a handover process from Euan Fraser, Luc Baqué was appointed as Chief Executive Officer. Between this date and 9 January 2024, Euan Fraser undertook a part-time role as Strategic Adviser to the Board. During this time, Euan was invited to attend Board and certain committee meetings in an advisory capacity. This arrangement enabled the Board to continue to benefit from Euan's extensive knowledge of the Group's history and client base during this transitional period. The Board is grateful for Euan's contribution during the year.

Board induction and training

During the year, Luc Baqué completed a thorough induction programme, which included receiving coaching from the outgoing Chief Executive Officer, time spent with the Non-Executive Directors on a one-to-one basis, and training in investor relations. In April 2023, a Board training session was delivered by the Company's NOMAD, Investec, which covered the responsibilities of directors of AIM-quoted companies, including relevant legal and regulatory obligations. This formed part of Luc Baqué's induction programme and served as a refresher for all Board members. Subsequent to the year end, the whole Board has also undertaken training on relevant ESG-related matters, including diversity and inclusion.

Succession planning

A key role of the Committee is to ensure that the Group has appropriate succession planning in place, and this is reviewed by the Committee each year. During the year, the Committee reviewed and approved contingency and succession plans for each member of the Board. Succession plans for the Executive Directors are considered over three timescales: i) immediately in the event of an unexpected event such as illness; ii) three years' time; and iii) five years' time. The Committee's succession considerations during FY 24 included a refresh of succession plans for Luc Baqué following his appointment to the Board on 1 April 2023.

By 2025, I will have served on the Board as Chair for nine years and, as such, I will no longer be considered independent under generally accepted UK corporate governance standards. Therefore, the Committee is actively considering succession planning for my role.

Renewal of appointment letter

The Committee has considered the renewal of Penny Judd's appointment, which is due to expire at the 2024 AGM. The Committee recommended to the Board that Penny's appointment be renewed for a further three-year term from the conclusion of the 2024 AGM (if held), subject to annual re-election by shareholders.

Board evaluation

As part of the Board's commitment to maintaining a strong corporate governance framework, the Committee reviews the approach to, and results of, the Board's performance evaluation process.

During the year, the Nomination Committee sought to enhance the current internal Board performance evaluation process. This was done in order to increase the thoroughness and objectivity of the process, in line with the recommendations outlined in the 2023 QCA Code on board performance evaluation.

After careful consideration, the decision was made to use a thorough online board evaluation platform, "BoardClic", to undertake the review. The evaluation process covered key areas, including: purpose and strategy; Board agenda and meetings; talent and culture; Board composition and dynamics; effectiveness of the Chair; information, reporting and risk management; and effectiveness of the Board committees.

A detailed report, which included qualitative responses and benchmarking against other respondent companies, was subsequently provided to the Nomination Committee. Following a detailed discussion, it was agreed that the Chair, the Board, its committees and its governance framework continued to operate effectively. No significant areas of concern were identified from the review process. A number of actions were, however, agreed in response to the findings:

- Further improvements to be made to certain regular Board reports to ensure they are easily digestible and focus on key matters;
- Board and committee agenda considerations, including the addition of regular updates on the market and competitor dynamics by the Chief Executive Officer and the Company's brokers, and the potential use of virtual meetings for certain committee meetings; and
- Additional succession planning considerations, including those relating to the Non-Executive Directors.

The Nomination Committee intends to retain the internal methodology for future Board evaluations, but will also consider the periodic use of an external evaluator to supplement this process, as recommended by the 2023 QCA Code.

Diversity

In executing its duties, the Nomination Committee objectively considers candidates on merit and with due regard for the benefits of diversity, including gender and ethnic diversity, on the Board.

Alpha is an equal opportunities employer and the Group's policy is to ensure that all employees, or those seeking employment, are treated fairly. This policy applies at Board level and across the Group. All decisions relating to recruitment, selection and promotion are made objectively regardless of race, ethnicity, nationality, gender/gender identity, sexual orientation, religious belief, political opinion, age, disability and educational or socioeconomic background.

The Board exceeds the gender diversity target set by the Hampton-Alexander review and the FTSE Women Leaders Review 2022, with women representing 50% of the Board. The Group is also committed to increasing the gender diversity of its senior management over time and has publicly communicated a target in relation to this. Details of this target and how the Group intends to achieve this can be found on p. 44. The Group will also continue to monitor emerging regulations or guidelines in relation to other aspects of the Board's diversity.

While there are no current plans to appoint any additional Board members, when considering any future appointments to the Board, the Nomination Committee will consider the diversity of the Board as a whole, including socio-economic backgrounds, nationality, educational attainment, gender, ethnicity and age, and the need to avoid any risk of "group-think".

The ESG Committee's remit includes oversight of the Group's Diversity & Inclusion strategy, policies and initiatives. Further information about Alpha's Diversity & Inclusion programme, including Alpha's Disability Confident accreditation, is provided in both the Looking After Our People and the Sustainable Business sections of the Annual Report and in the Group's Sustainability Report.

Ken Fry
Chair of the Nomination Committee
20 June 2024

ESG Committee report

Membership

Jill May (Chair)

Ken Fry

Maeve Byrne

Penny Judd

Key actions from FY 24

— Agreed the ESG Roadmap and priorities for FY 24.

— Reviewed and approved the Group's first Sustainability Report.

— Approved the Group's first TCFD report.

— Introduced ESG training at Board level.

Priorities for FY 25

— Refine the path to net zero and targets to achieve this.

— Monitor progress against diversity ambitions.

— Monitoring and ensuring compliance with all relevant regulations, including TCFD, and assessing alignment with best practice for a company of Alpha's size and sector.

Jill May
Chair of the ESG Committee

The ESG Committee is responsible for overseeing the development and implementation of the Group's ESG strategy and reviewing the Group's performance against this strategy.

On behalf of the Board, I am delighted to present the Group's first ESG Committee report for the year ended 31 March 2024. The ESG Committee was established in 2023 and held its first meeting in April 2023.

During the last 12 months, the Group undertook a materiality assessment to inform and shape its ESG roadmap. A number of key milestones on the roadmap have already been achieved, including agreeing the Group's first public gender diversity target and the publication of our first TCFD report (see pp 48–51).

Committee composition and governance

The ESG Committee is composed wholly of independent Non-Executive Directors. I chair the Committee, and its other members are Ken Fry, Penny Judd and Maeve Byrne.

The ESG Committee meets as and when necessary, but at least twice a year. The Committee met three times during FY 24, with all Committee members attending each meeting. The Group's Company Secretary attends every meeting of the Committee. The Chief Financial Officer and the Chief Executive Officer attend meetings at the request of the Committee Chair. Both Executive Directors attended each meeting held in FY 24. The Group's Head of Risk and the Group's Managing Director are also invited to attend these meetings.

Key responsibilities

The Committee's purpose is to oversee the development of the Group's ESG strategy and review the Group's performance against this strategy.

The key responsibilities of the Committee include the following:

— Oversee the development and implementation of the Group's ESG strategy, including priorities, objectives and strategic goals;

— Identify and use relevant KPIs and targets to monitor the progress of the Group in its ESG strategy;

— Oversee the establishment of, and review regularly, relevant ESG-related policies and codes of practice to ensure they remain effective, compliant with regulatory requirements, including applicable principles of corporate governance and consistent with industry practice;

— Consider ESG risks in connection with the Group's operations;

— Review current and emerging ESG trends to identify how these are likely to impact the strategy, operations and reputation of the Group and ensure the Group's ESG strategy and policies remain appropriate and well positioned; and

— Review the quality and integrity of external reporting of ESG matters and performance, including the Sustainability Report and relevant sections of the Annual Report.

Activities during the year

Key activities undertaken by the ESG Committee during the year included the following:

— Agreed the ESG priorities for the Group, following a rigorous materiality assessment process;

— Reviewed and approved the Group's ESG strategy and roadmap;

— Reviewed and approved the Group's inaugural Sustainability Report;

— Approved the Group's first diversity target: that 25% of the senior director level employees will be women or nonbinary in five years' time;

— Reviewed the results of the Group's first publicly disclosed UK Gender Pay Gap report;

— Reviewed and approved the Group's first TCFD report;

— Considered appropriate ESG-related objectives for the purposes of variable remuneration policy;

— Introduced online ESG training for all Board members; and

— Considered appropriate action to support the Group's path to net zero and adherence to the UN Global Compact.

Priorities for the year ahead

During FY 25, the ESG Committee will continue to provide independent Board-level oversight of the development and delivery of the Group's strategic ESG framework and ambitions. There are also some priorities that the Committee will devote specific attention to, as follows:

Carbon reduction strategy:

Much groundwork has already been undertaken in relation to the Group's commitment to achieve net zero by 2050. In FY 25, the Group will agree the baseline from which to measure carbon emissions and publish its net zero ambition and roadmap to achieve carbon neutrality – considering new Scope 3 emissions categories and further enhancing data collection and analysis. The Committee looks forward to sharing this next phase of its carbon reduction strategy.

TCFD reporting:

The Committee will consider the recommendations of the Group Responsible Business team in relation to the Group's FY 25 TCFD report and ensure that future iterations of this report remain in line with best practice for a company of Alpha's size and sector.

Progress against diversity targets and ambitions:

The Responsible Business team will regularly update the Committee on the Group's progress against its agreed upon diversity ambitions globally. In particular, the Committee will closely review progress against the Group's publicly stated gender diversity target, as described above. The Group is committed to providing transparent reporting on its progress and any need for additional actions.

Improvements to policies and transparency:

The Committee will provide oversight and support in relation to the further enhancement of the Group's ESG policies and disclosures in the coming months, including how key information is made available to stakeholders, including employees, clients and investors.

As Chair of the ESG Committee, I am very much looking forward to working with the wider Alpha business to drive forward the Group's ESG priorities and commitments in FY 25 and to be able to share future updates on this progress with our various stakeholders.

Jill May
Chair of the ESG Committee
20 June 2024

Audit and Risk Committee report

Membership

Maeve Byrne (Chair)

Ken Fry

Penny Judd

Jill May

Key actions from FY 24

— Reviewed, updated and signed off the Group's risk policy and risk management framework.

— Reviewed and updated the Group's whistleblowing policy.

— Engaged an internal audit firm and agreed to their initial scope.

Priorities for FY 25

— Oversee the new internal audit process.

— Plan for the FY 25 audit, including the rotation of the external audit partner.

— Ensure that risk management arrangements are updated in response to any new or emerging risks or changes to the Group's principal risks.

The Audit and Risk Committee provides independent oversight of the Group's financial statements and performance reporting, and of the Group's systems of internal financial control and risk management.

On behalf of the Board, I am pleased to present the Audit and Risk Committee report for the year ended 31 March 2024.

Committee composition and governance

The Audit and Risk Committee is composed wholly of independent Non-Executive Directors. I chair the Committee and its other members are Ken Fry, Penny Judd and Jill May. Information on the Committee members' skills and experience is provided in the Board of Directors section on pp 66–67.

The Audit and Risk Committee meets as and when necessary, but at least three times a year. The Committee met three times during FY 24, with all members attending every meeting.

The Chief Financial Officer and the Chief Executive Officer attend meetings at the request of the Committee Chair to facilitate discussion of the financial statements and systems of financial control and risk management. Both Directors joined each meeting held in FY 24.

Maeve Byrne
Chair of the Audit and Risk Committee

The Group's Company Secretary attends every Committee meeting, as do the lead audit partner and team members from the Group's external auditor, KPMG LLP. Members of the Group's Risk team and senior management are also invited to attend Committee meetings as appropriate.

At least once a year, the Committee meets with the auditor without the presence of any Executive Director to discuss independently the auditor's remit and any other issues arising from the audit; they met in this manner once during the year.

Key responsibilities

The purpose of the Audit and Risk Committee is to oversee the Group's internal financial controls and risk management systems, to recommend the interim and full-year financial results to the Board, and to monitor the integrity of all formal reports and announcements relating to the Company's financial performance. In addition, the Committee is responsible for appointing the external auditor of the Group, maintaining that relationship and reporting the findings and recommendations of the external auditor to the Board.

The Committee's main duties are set out in its terms of reference, which are reviewed annually and available on the Company's investor website (alphafmc.com/investors/board-committees).

The Committee's key responsibilities include the following:

— Monitoring the integrity of the Group's financial statements, including the full-year and interim reports, other significant announcements relating to financial performance, and reviewing any significant reporting issues and judgements;

— Advising on the clarity of disclosure and information contained in the financial reports;

— Reviewing the adequacy and effectiveness of the systems of internal control and the risk management framework;

— Reviewing the Group's arrangements and procedures relating to compliance, whistleblowing and fraud;

— Overseeing the relationship with the external auditor, reviewing performance and advising the Board members on the auditor's appointment and remuneration;

— Reviewing and discussing the findings of the audit with the external auditor; and

— Oversight of the internal audit process.

Activities during the year

Review of financial statements:

During FY 24, the Committee reviewed and approved the Group's FY 23 Annual Report & Accounts and FY 24 interim results including consideration of the significant accounting issues relating to the financial statements and the going concern review.

Financial controls and risk management:

In its responsibility to assure the Group's financial control and risk management environment, the Committee continued its focus on risk and financial controls, monitoring progress against the plan to implement refinements to systems and processes, to improve the financial control environment further and to enhance team operations. Status reports were reviewed and discussed at the Committee's meetings in November 2023 and February 2024.

On behalf of the Board, the Committee oversees and assures the Group's risk processes and risk reporting across all business units. Alongside the external audit process, there is an ongoing focus on identifying, assessing, and managing the risks the Group faces across a broad range of relevant topics, including industry, operational, financial, social and environmental risks. As part of the annual risk review agenda, a focused risk session took place at the Committee's meeting in February 2024, and the Group Managing Director and the Global Head of Risk were invited to attend the meeting. The Committee reviewed and discussed updates to the risk policy, the risk management framework and the risk report, which includes key risks identified across the Group.

The principal risks to the Group and the identified mitigating actions are set out in the Principal Risks and Uncertainties section of the Strategic Report on pp 57–60.

Scope and delivery of external audit:

The Committee reviewed the year-end audit plan and considered the scope of the audit and the external auditor's fees. It has also considered the tenure of the external auditor and the rotation of the audit partner at the end of FY 24 (see p. 82 for further details).

Whistleblowing policy:

During the year, the Committee reviewed the Group's whistleblowing policy and processes. The Committee was comfortable that the existing arrangements were satisfactory, but recommended certain enhancements to reflect current best practice, and these were implemented as part of the annual policy review process. The updates included expanded guidance for employees on what whistleblowing is and the engagement of a specialist third party to provide an independent whistleblowing reporting helpline. Subsequent to the year end, the Group has also implemented a new training module for all employees covering the whistleblowing process. Further details of this policy can be found below.

Internal audit:

The Committee considered the need for an internal audit function during the year. While there is no current requirement for the Group to establish a separate internal audit function, the Committee, and the Board as a whole, concluded that the Group is now of a size and complexity that would benefit from introducing a proportionate internal audit process. Following consideration of a number of potential solutions and third-party providers during the year, the Committee agreed to appoint Grant Thornton in this capacity to supplement the Group's existing internal control arrangements and external audit process.

The initial phase of the internal audit programme consisted of a review of the Group's risk management practices and processes to provide assurance of the risk management framework in identifying, assessing, and managing risks. This programme is currently in the early stages of implementation and the findings of this initial review are being used to inform subsequent areas of focus.

Terms of reference:

The Committee also reviewed and updated its terms of reference, which were approved by the Board.

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Corporate Governance
Audit and Risk Committee report continued

External auditor appointment and tenure

The Committee oversees the relationship with the external auditor and monitors all services provided and fees payable to ensure that potential conflicts of interest are considered and that an objective and professional relationship is maintained. In particular, the Committee reviews and monitors the independence and objectivity of the external auditor and the effectiveness of the audit process.

KPMG LLP was first appointed as the Group's external auditor in 2015. The current lead partner was appointed following completion of the FY 19 audit and, in line with KPMG's policy on lead partner rotation, will complete his five-year term at the end of FY 24. The proposed new audit partner has met with senior members of the Group's Finance team and will be introduced to the Committee during the first half of FY 25.

While there is no obligation for an AIM-quoted company to tender external audit services periodically, in line with generally accepted good practice, the Committee has considered the length of tenure of KPMG as external auditor, in the context of the forthcoming partner rotation. The Committee has determined that the appointment of a new partner in FY 25 will further add to the objectivity and independence of the audit process and that a tender would, therefore, not be undertaken at this point in time. However, given the duration of KPMG's tenure, this matter will be kept under review by the Committee on a regular basis.

KPMG LLP did not provide any non-audit services during the year. Note 3 to the consolidated financial statements analyses the remuneration to the external auditor for audit services during the year.

The Committee seeks feedback from the Chief Financial Officer and senior members of the Finance team on the effectiveness of the external auditor and the audit process. The Committee continues to be satisfied with the scope of the external auditor's work and the effectiveness of the external audit process, and is satisfied that KPMG remains independent in the discharge of its audit responsibilities. The Committee is, therefore, pleased to recommend to the Board that a resolution to re-appoint KPMG LLP as the Company's auditor be proposed at the forthcoming AGM (if held).

Audit process

The external auditor prepares an audit plan for its review of the full-year financial statements, and the audit plan is reviewed and agreed in advance by the Committee. Before the approval of the financial statements, the external auditor presents its findings to the Committee, highlighting areas of significant financial judgement or estimation for discussion. The Committee also reviews the external auditor's management letter and detailed presentations are made to the Committee by the auditor at least twice a year. There is an active discussion between the Committee and the auditor on any recommendations to improve the efficiency of the audit process.

Significant accounting matters

In the year, the Audit and Risk Committee considered key accounting issues and significant judgements and estimates in relation to the Group's FY 24 financial statements. These matters were discussed and reviewed with the Finance team and the external auditor. The Audit and Risk Committee challenged judgements and sought clarification where necessary.

The Committee received a report from the external auditor on the work it had performed to arrive at its conclusions and discussed any material findings contained within that report. The information in the table below should be considered together with KPMG's independent auditor's report on pp 99–105 and the accounting policies disclosed in the notes to the financial statements as referenced in the table.

Area of focus	How it was addressed
Revenue recognition	
Revenue is the most significant caption in the statement of comprehensive income and, by its nature, revenue recognition is a key accounting policy. Whilst the majority of Group revenue is contracted on a time and materials basis, the Group also has some fixed-priced milestone contracts. The recognition of revenue on such contracts in progress at the year end involves consideration of the detailed contractual terms against the requirements of IFRS 15 and an assessment of whether performance obligations under the contract have been met at the balance sheet date.	Detailed revenue year-end cut-off procedures have been performed internally, including a detailed review of relevant contractual client terms. The Committee has discussed the design and application of the revenue cut-off procedures performed, and considered and agreed the appropriateness of the disclosures in respect of revenue recognition in the financial statements.
Alternative performance measures	
To assist in understanding the underlying performance of the Group and to aid comparability between accounting periods, some alternative performance measures ("APMs") are presented, which differ from measures presented in accordance with International Financial Reporting Standards ("IFRS"). These APMs exclude certain adjusting items. Judgement is required to identify those adjusting items deemed to warrant exclusion from the calculation of the Group's adjusted measures due to either their nature or size.	The Committee has considered the appropriateness of each of the adjusting items, ensuring that sufficient explanations are provided and that each APM is reconciled to the nearest IFRS measure. The Committee has reviewed the balance of APMs and IFRS measures presented in the Annual Report and Accounts and considered whether APMs have been appropriately balanced with IFRS measures.
Share-based payments	
Estimation is required to calculate the share-based payment expense under IFRS 2 and the associated social security costs. These estimates include assessing the fair value of share options at the date of grant, the probability that share options will vest in the future and the future share price at the vesting date.	External professional experts assisted in calculating the fair value of share options at each grant date. The probability that share options will vest is assessed at each reporting date by considering forecast staff attrition, time until vesting and achievement of performance conditions. These key assumptions have been discussed with the Committee.

Share dealing, anti-bribery and whistleblowing

The Group has adopted a share dealing code in conformity with the requirements of Rule 21 of the AIM Rules. All employees, including new joiners, must agree to comply with the code.

The Group has in place a whistleblowing policy, the purpose of which is to encourage employees to report any suspected wrongdoing as soon as possible; to provide employees with guidance as to how to raise those concerns; and to reassure employees that they can raise genuine concerns without fear of reprisals, even if they turn out to be mistaken. The Group has appointed whistleblowing officers, and the Non-Executive Chairman is provided as a point of escalation. An independent whistleblowing hotline is also in place to provide an alternative means of escalation for any employees wishing to raise concerns via a third party. In the event of a whistleblowing event, the Board will also be informed and kept up to date on all developments as appropriate.

The Group also has an anti-corruption and bribery policy, which sets out the Group's responsibilities in observing and upholding its position on bribery and corruption. It provides information and guidance on how to recognise and deal with bribery and corruption issues.

These policies are provided to every employee of the Group, principally through the Employee Handbook and also within a Group Corporate Compliance Manual, which is available on the website. The Audit and Risk Committee reviews these policies on a regular basis to ensure that they remain fit for purpose.

The Group operates an open and inclusive culture and employees are encouraged to speak up if they have any concerns. Such policies aim to ensure that all employees observe ethical behaviours and bring matters that cause them concern to the attention of either the Executive or Non-Executive Directors.

Maeve Byrne
Chair of the Audit and Risk Committee
20 June 2024

Remuneration Committee report

Membership

Penny Judd (Chair)

Maeve Byrne

Ken Fry

Jill May

Key actions from FY 24

— Determined FY 24 remuneration outcomes for Executive Directors and senior management.

— Monitored performance against FY 24 variable reward performance conditions.

— Undertook a full review of the Executive Director and senior management remuneration.

— Shaped a new Remuneration Policy and FY 25 remuneration arrangements.

— Undertook a shareholder consultation on the new Remuneration Policy.

Priorities for FY 25

— Oversee the application of the new Remuneration Policy from 1 April 2024.

— Introduce an advisory shareholder vote on remuneration at the 2025 AGM (if held) in respect of the FY 24 Remuneration Report.

— Determine FY 25 remuneration outcomes.

— Shape FY 26 remuneration packages, to support the strategic priorities of the Group and reduce share dilution levels over time.

The Remuneration Committee makes recommendations on matters relating to performance, remuneration and terms of service for the Board and senior management of the Group.

As the Chair of the Remuneration Committee, and on behalf of the Board, I am pleased to present the Remuneration Committee report for the year ended 31 March 2024.

Over the past 12 months the Remuneration Committee has undertaken a comprehensive review of the Group's remuneration arrangements for the Executive Directors and its senior management team. This culminated in the implementation of a new Remuneration Policy that will take effect from 1 April 2024, which is for the Executive Directors and the senior leadership team, more closely aligned to current market standards for large AIM-quoted companies.

Penny Judd
Chair of the Remuneration Committee

Therefore, my Committee Report, the Policy section and the Annual Report on Remuneration not only detail executive remuneration outcomes for FY 24, but also describes our new Remuneration Policy and remuneration strategy for FY 25, and the shareholder consultation process that we undertook prior to their implementation.

I am also pleased to confirm that in this year's Remuneration Committee report we have further enhanced our disclosures to provide additional detail and transparency on the Group's remuneration arrangements, both in relation to FY 24 and FY 25, in line with evolving best practice for a Group of Alpha's size.

As a further important enhancement to the Group's remuneration governance framework, we intend to introduce an advisory shareholder vote on Executive Director remuneration at our 2025 AGM (if held) relating to remuneration arrangements for the year commencing 1 April 2024, in accordance with the new recommendations of the 2023 QCA Corporate Governance Code ("2023 QCA Code").

As noted elsewhere in this report, on 20 June 2024, the Board announced an Offer to acquire Alpha. If this Offer is completed, certain matters referred to in this Remuneration Committee report as occurring during FY 25 and beyond will not occur as they are matters which would only be relevant to the Group as a quoted public company. Therefore, the resolutions described in this Remuneration Committee report proposed to be put to shareholders at the 2024 and 2025 AGMs, may not occur.

Committee composition and governance

The Committee is composed wholly of independent Non-Executive Directors. My fellow Committee members are Ken Fry, Jill May and Maeve Byrne. All members served throughout the year.

The Committee meets as and when necessary, but at least twice a year. The Committee met five times during FY 24. Each of these meetings were attended by all members of the Committee.

The Group's Company Secretary attends each meeting and the Chief Executive Officer and Chief Financial Officer are invited to attend meetings as appropriate. The Committee has unrestricted access to the Company Secretary throughout the year and has received advice from a specialist remuneration adviser as set out on p. 93.

Key responsibilities

The main duties of the Committee are set out in its terms of reference, which are reviewed annually and are available on Alpha's investor website (alphafmc.com/investors/board-committees).

The Committee formulates and recommends to the Board the remuneration policies for the Executive Directors and senior management of the Group, having regard to pay and employment conditions across the Group. The objectives of these policies are to:

— Attract, retain and motivate employees of the quality required to run the Group successfully;

— Promote the long-term success of the Group; and

— Ensure that the performance-related elements of remuneration form a significant yet appropriate proportion of the total remuneration package and are transparent, stretching and rigorously applied.

The Committee determines the total remuneration package of the Executive Directors and the Group's senior management. The Board as whole sets the remuneration for the Non-Executive Directors, including the Chair.

The Committee reviews and approves the structure of all performance-related pay schemes (both annual and longer-term schemes) for the Executive Directors and the Group's senior leadership team, including setting the associated targets and performance conditions. It monitors performance against those conditions and approves the vesting and payment outcomes.

A key priority of the Committee is to transition towards arrangements that shift the balance of remuneration towards cash annual variable pay. Currently, this type of pay makes up a small portion of overall remuneration. The aim is to reduce the reliance on share incentives, to bring share dilution from employee share awards more into line with conventional UK-quoted company dilution limit guidelines.

Note 22 to the financial statements sets out further details of the Group's share-based payment schemes of the Group.

Company performance in FY 24

FY 24 was a challenging year for the Group with a more competitive market environment, resulting in lower profits than were initially anticipated. In determining FY 24 remuneration outcomes for the Executive Directors, the Remuneration Committee has taken into consideration the overall performance of the Group for FY 24 and shareholder returns. Overall levels of remuneration for the Executive Directors for FY 24 were therefore significantly lower than FY 23, with no annual cash bonus payments having been awarded and no vesting of FY 24 equity awards.

For other employees within the Group, the Committee decided to enable partial vestings, in recognition that some of the FY 24 performance conditions have been met, and to incentivise and retain a high quality team to deliver the Group's stated growth plans for FY 25 and beyond.

Activities of the Committee during FY 24

— Reviewed the Remuneration Committee report in the FY 23 Annual Report and Accounts.

— Recommended to the Board the purchase of shares by the Company's employee benefit trust to satisfy future exercises of equity incentive awards.

— Approved FY 23 profit share outcomes for Executive Directors and senior management.

— Approved the grant of share incentive awards in July 2023 and the associated performance criteria for Executive Directors and senior management of the Group for FY 24.

— Approved the vesting of equity incentive awards granted to Executive Directors and senior management in prior periods, having assessed the associated performance conditions.

— Approved updates to the rules of the Group's share incentive schemes.

— Undertook an annual review and approval of the terms of reference for the Remuneration Committee.

— Reviewed the new principles on remuneration in the 2023 QCA Code and considering how these would be applied by the Group.

— Appointed an external specialist remuneration consultant, h2glenfern Remuneration Advisory, to undertake a full review of existing variable remuneration arrangements, and to assist in shaping a draft new Remuneration Policy for FY 25, more closely aligned to market standards and typical dilution levels.

— Undertook a consultation with shareholders in relation to the new Remuneration Policy and FY 25 remuneration arrangements for Executive Directors and senior management.

Corporate Governance
Remuneration Committee report continued

Activities of the Committee during FY 24 *continued*

In addition, there were a number of activities undertaken between 31 March 2024 and the date of this report, including:

- Determined FY 24 remuneration outcomes for the Executive Directors and senior management in view of FY 24 business performance, including share incentive award vestings and bonus awards;
- Set FY 25 salary levels and variable remuneration for the Executive Directors and senior management, including the associated financial and non-financial performance conditions; and
- Completed the consultation with major shareholders in relation to the FY 25 Remuneration Policy and arrangements.

Remuneration Policy for FY 24

The key elements of remuneration of the Executive Directors and senior management of the Group in respect of FY 24 were unchanged from those set out on pp 73–77 of the FY 23 Remuneration Committee report within the Annual Report and Accounts 2023. This comprised base salary, country specific pension and benefits, an annual bonus opportunity and share incentive awards. FY 24 remuneration outcomes for the Executive Directors are set out on pp 91–93 of this report.

New Remuneration Policy for FY 25 and shareholder consultation process

During FY 24, the Remuneration Committee, with guidance from an external remuneration consultant, h2glenfern Remuneration Advisory, and with support from the Company Secretary, conducted a review of the Group's existing Remuneration Policy, and shaped a new Remuneration Policy to take effect from 1 April 2024 for the Executive Directors and senior management of the Group.

The objectives of the updates to the Remuneration Policy for FY 25 are:

- To ensure Executive Director remuneration is aligned to strong Group performance, the delivery of the Group's strategic objectives and to shareholder interests; and
- To bring Executive Director remuneration arrangements more closely into line with UK best practice guidelines, reflecting the Group's size, profile and status as a large AIM company.

A key element of these changes is to support the future rebalancing of variable remuneration towards cash and away from share incentives, to bring share dilution from employee share awards more into line with conventional UK-quoted company dilution limit guidelines over a transition period.

Importantly, there is no intention to increase the overall remuneration opportunity at on-target levels of performance for the Executive Directors in FY 25, but instead to restructure remuneration arrangements in line with best practice and sharpen the alignment of remuneration to Group performance. The Remuneration Committee will ensure that performance conditions are appropriately stretching to ensure higher levels of remuneration are earned only for excellent performance. New features of the FY 25 arrangements include:

- A bonus deferral mechanism, in conjunction with an increased maximum cash bonus opportunity;
- The introduction of an additional two-year post-vesting holding period for long-term equity incentives;
- The introduction of 25% threshold vesting levels for both the bonus and long-term equity incentives;
- A shareholding guideline for Executive Directors; and
- The introduction of market standard malus and clawback arrangements.

At our 2024 AGM (if held), resolutions to approve amendments to our existing equity incentive plans and to approve a bonus deferral plan will be put to shareholders for approval.

Shareholder consultation process

The Committee undertook a formal consultation with the Group's major institutional shareholders covering 56% of the share register as at 31 March 2024, to seek their views on this proposed new Remuneration Policy. Of the 12 institutional investors that were contacted, we received 11 responses, the large majority of which expressed support. The Committee answered questions and addressed points from investors, including attending a meeting requested by one shareholder.

I would like to thank those investors that took the time and effort to engage with us during this process. While some differing preferences among investors is inevitable, we believe that the resulting new Remuneration Policy is aligned to the views of the large majority of our major investors and generally accepted good practice for large AIM-quoted companies.

Introduction of shareholder vote on remuneration

As mentioned above, in accordance with the recommendations of the 2023 QCA Code, we intend to introduce an advisory shareholder vote on our Executive Director remuneration arrangements at the 2025 AGM (if held). We recognise that active engagement on remuneration-related matters is becoming increasingly important to our investors, and we positively support this.

Looking ahead

We look forward to overseeing the operation of the Group's new Remuneration Policy throughout FY 25 and to providing shareholders with the opportunity to vote on these remuneration arrangements for the first time at our 2025 AGM (if held).

The Committee is conscious that the maximum annual bonus opportunity for the Executive Directors in FY 25, as detailed below, remains significantly below comparative levels of competitor companies. Subject to performance and strategic delivery, the Committee will review this parameter towards the end of FY 25 and consider increasing the maximum annual bonus opportunity for the CEO and CFO to 150% of salary and 125% of salary, respectively, for FY 26. This will continue to be coupled with threshold targets corresponding to a pay out at 25% of maximum and stretch targets in line with market standards, to ensure that there is no significant increase in remuneration for equivalent on-target performance. In FY 25, the weightings of performance conditions attached to share incentive awards will be 75:25 between EPS and relative TSR targets. The Committee will keep these weightings under review and may consider moving this to a 50:50 balance between EPS and relative TSR targets from FY 26.

Remuneration Policy effective from 1 April 2024

The new Remuneration Policy is detailed in the table below, which describes how each component of remuneration is linked to the Group's strategy and is operated in practice:

Executive Directors' Remuneration Policy Table (effective from 1 April 2024)

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Basic salary	To pay a competitive basic salary to attract, retain and motivate the talent required to operate and develop the business and to develop and deliver the Group's strategy.	Base salary is reviewed annually and takes account of the responsibilities, experience and performance of the individual and competitive pressures. It is reviewed each year with any changes effective from 1 April.	N/A	None, although overall performance of the individual and the Company will be taken into consideration by the Committee when setting and reviewing salary levels.
Pension	Part of a competitive Executive Director remuneration package, to provide an opportunity to build up income for retirement.	All Executive Directors are eligible to participate in the Group's Personal Pension Scheme on the same terms as other employees in the same employment countries.	N/A	N/A
Benefits	To provide market-competitive benefits.	Benefits include country-specific contributions, which may include private medical expenses cover, life insurance cover, maternity/paternity pay and other ancillary benefits.	N/A	N/A
Annual cash bonus scheme	The purpose of the annual cash bonus scheme is to incentivise and reward short term performance, and to align the interests of the Executive Directors, the Group and shareholders in the short- and medium-term.	The Committee assesses actual performance compared to the performance targets following the completion of the financial year and determines the bonus payable to each individual. Up to 25% of the maximum payable in respect of a financial measure will be paid for threshold performance. Up to 50% of the maximum payable in respect of a financial measure will be paid for on-target performance, increasing to 100% for stretch performance. Bonus payments are subject to malus and clawback provisions (see p. 88 for further details). 25% of bonus payments will be deferred for a period of two years and payable in shares. The deferral will be waived if the amount to be deferred is less than £25,000.	Maximum opportunity under this policy is up to 150% of salary for CEO and 125% of salary for CFO. For FY 25, the maximum bonus opportunities will be 90% of salary for the CEO and 60% of salary for the CFO. See p. 94 for further details.	Performance measures and targets are set by the Committee on an annual basis to reflect the Group's strategic priorities. For FY 25, 70% of the opportunity will be based on key financial measures and 30% of the opportunity will be based on non-financial measures, some of which will include ESG-related objectives. Vesting in respect of any non-financial measure will be between 0% and 100% based on the Committee's assessment of the extent to which the relevant measure is achieved. Vesting in respect of any non-financial measure will ordinarily be subject to the satisfaction of a financial performance underpin.

Corporate Governance
Remuneration Committee report continued

Remuneration Policy effective from 1 April 2024 *continued*

Component	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Long-term equity incentive awards	To incentivise and reward long-term performance and value creation, and to align the interests of the Executive Directors, the Group and shareholders in the long-term and to promote retention.	Awards will be granted subject to demanding performance conditions covering a minimum period of three years. A maximum of 25% of the awards vest at threshold level of performance, with vesting typically increasing on a straight-line basis to full vesting for meeting or exceeding a stretching level of outperformance. Awards are subject to an additional holding period of two years post-vesting. Awards may be exercised at the end of the three-year vesting period, but shares may only be sold during the holding period to cover tax liabilities arising from the exercise. Awards are subject to malus and clawback provisions (see below for further details).	Maximum of 150% of salary for CEO and 125% of salary for CFO in usual circumstances. In exceptional circumstances (such as on the recruitment of a new Executive Director) awards in respect of any financial year may be granted at the level of up to 300% of salary.	The Committee may vary the type and weighting of performance conditions chosen for each annual round of awards. Performance metrics will be based on at least two financial measures (likely to be EPS growth and relative TSR performance against a benchmark).
Shareholding guidelines	Encourages Executive Directors to build a meaningful shareholding to further align interests with shareholders.	The Chief Executive Officer is expected to maintain a shareholding equivalent to 200% of base salary throughout employment. Other Executive Directors are also expected to build up and maintain a shareholding of 200% of salary over the five-year period from their appointment. The shareholding guideline includes beneficially owned shares and vested share options on an after-tax basis.	N/A	N/A

Notes to the Remuneration Policy

Malus and clawback conditions

Malus and clawback may be applied to bonus and equity incentive awards in certain specific circumstances including a material misstatement of the accounts, a material error in assessing performance conditions, gross misconduct on the part of the participant, fraud, material dishonesty, wrongdoing or breach of contract that is a potentially justifiable reason for dismissal, breach of fiduciary duties, and misconduct leading to significant losses or a material failure of risk management.

Annual bonus: Malus may be applied before a bonus is paid. Clawback may be applied to a cash bonus or deferred bonus payment after it has been paid for a period of up to two years after payment.

Long-term equity incentives: Malus may be applied before the assessment of performance conditions in relation to an equity incentive award. Clawback may be applied to an equity incentive award for up to two years following the assessment of performance conditions at the vesting date (inclusive of any holding period).

Updates to share plan scheme rules and new Deferred Bonus Scheme

The majority of changes to the long-term equity incentive arrangements for FY 25 can be accommodated under the Group's existing share plan rules. However, updates to the scheme rules to allow for the new malus and clawback provisions, together with some other minor administrative updates, will be made and tabled for shareholder approval at the 2024 AGM (if held). It is also necessary to introduce a new Deferred Bonus Plan to accommodate the share deferral element of the Executive Director bonus scheme. The rules of this new scheme will also be put to shareholders for approval at the 2024 AGM (if held).

Overriding Remuneration Committee discretion

In respect of the annual bonus and long-term equity incentive awards, the Remuneration Committee has discretion to vary the pay-out or vesting level from formulaic outcomes should any such outcome not reflect the Committee's assessment of overall business performance or if it considers the formulaic output inappropriate in the context of the overall shareholder returns or an exceptional negative event.

Leaver and change in control provisions

The table below sets out the remuneration arrangements for Executive Directors in specific circumstances, including leaving the business or a change of control of the Group (with effect from 1 April 2024).

Circumstances	Treatment – annual bonus	Treatment – long-term equity incentive awards
Leavers – other than good leavers	Bonus (other than deferred bonus awards): Participation will lapse on the date of cessation. Deferred bonus awards: Deferred bonus awards will normally lapse in full.	Cessation during the performance and/or vesting periods: Awards will normally lapse on the date of cessation if this is before the vesting date. Cessation during the holding period: The holding period will normally continue to apply.
Good leavers: Retirement, ill-health, disability, death, redundancy, or other reasons at the Committee's discretion	Bonus (other than deferred bonus awards): The Remuneration Committee will typically assess performance against targets at the end of the period, apply time-based pro-rating and make payment in line with the workings of the plan and subject to the normal deferral terms. The Remuneration Committee may, however, apply discretion to determine the most appropriate outcome and make earlier payment and pay entirely in cash. Deferred bonus awards: Deferred bonus awards will ordinarily continue and become payable on the ordinary payment/vesting date, although the Committee retains discretion to release any such award on the date of termination, before the ordinary payment/vesting date in appropriate circumstances (e.g. death or ill-health).	Cessation during the performance period: Awards granted in FY 25 onwards will normally remain in place and vesting levels will be assessed at their normal assessment date. The vesting level will be based on achievement of performance targets and subject to time pro-rating (reduction) based on the portion of the performance period which has elapsed at the point of departure with vested awards subject to the normal holding period. The Remuneration Committee may, however, apply discretion to determine the most appropriate outcome, including waiving the holding period. Cessation during the holding period: The holding period will normally continue to apply unless the Remuneration Committee determines otherwise.
Change in control	Bonus (other than deferred bonus awards): The Remuneration Committee will exercise its discretion to determine the level of bonus paid taking into account performance up to the point of the change in control and normally pro-rating pay-out levels to reflect the portion of the year which has elapsed. No deferral will be applied. Deferred bonus awards: Outstanding deferred bonus awards will vest in full.	During the performance period: Outstanding awards granted in FY 25 onwards will vest on completion of the change in control subject to the Remuneration Committee's assessment of performance up to that point and subject to time pro-rating (reduction), unless the Remuneration Committee determines otherwise. No holding period will apply to vested awards. During the holding period: The holding period will terminate and vested awards will be released in full at the point of change in control.

Corporate Governance
Remuneration Committee report continued

Notes to the Remuneration Policy *continued*

Directors' service agreements

The Executive Directors as at the date of this report entered into service agreements with the Company on the following dates:

Director	Date of service agreement	Term	Notice period by Company and by Director
Luc Baqué	29 March 2023 (effective from 1 April 2023)	Indefinite	6 months
John Paton	28 February 2018	Indefinite	6 months

The Non-Executive Directors do not have service agreements. However, the Non-Executive Directors' letters of appointment provide that their tenure of office is for periods of three years, unless renewed for a further term or until terminated by the Non-Executive Director or the Company on giving to the other three months' prior written notice. Each Non-Executive Director is typically expected to serve for two three-year terms but may be invited by the Board to serve for an additional period.

Regardless of these terms of appointment, each Director offers themselves for annual re-election by shareholders at every AGM of the Company, in line with best practice.

Director	Date of current term of appointment	Term expires	Notice period by Company and by Director[26]
Ken Fry	6 September 2023	2026 AGM[27]	3 months
Penny Judd	23 September 2021	2024 AGM[28]	3 months
Jill May	6 September 2023	2026 AGM	3 months
Maeve Byrne	16 May 2022	2025 AGM	3 months

Policy on recruitment

When hiring a new Executive Director, the Committee will consider the overall remuneration package by reference to the Remuneration Policy set out in this report. Salary and annual bonus levels will be set so as to be competitive with comparable roles in companies in similar sectors, and also taking into account the experience, seniority and the scope of responsibility of the appointee coming into the role.

The approach in respect of compensation for forfeited remuneration from a previous employer will be considered on a case-by-case basis taking into account all relevant factors, such as the form of compensation forfeited, performance achieved or likely to be achieved, and the proportion of the performance period remaining. If any compensation for forfeited remuneration is paid, it may be awarded outside the standard equity incentive awards and may be made with non-standard performance conditions, or without performance conditions and with a shorter vesting period and without a holding period to reflect the profile of forfeited awards. Any such arrangements would be disclosed in the following year's Annual Report.

New Executive Directors will be able to participate in the annual bonus scheme on a pro-rated basis for the portion of the financial year for which they are in post. New Executive Directors may receive benefits and pension contributions in line with the Company's existing policy. Long-term equity incentive awards are made on an ongoing basis in line with our policy for Executive Directors and other senior management. In the year of recruitment, a higher award may be made to the new recruit (within the limits of the Remuneration Policy, being a maximum of 300% of salary). Where existing employees are promoted to become Executive Directors, their remuneration will be operated in line with the Company's policy from the date of promotion with the terms of outstanding remuneration, such as deferred bonus amounts and outstanding long-term equity incentive awards, retaining the terms applied at their point of award.

External appointments

Executive Directors may accept one external non-executive directorship with the prior agreement of the Board, provided it does not conflict with the Group's interests and the time commitment does not impact upon the Executive Director's ability to perform their primary duty. The Executive Director may retain the fee from the external directorship.

Remuneration Policy for Non-Executive Directors

The policy for Non-Executive Directors is set by the Board and takes into consideration the need to attract the highest calibre non-executive Board members, with broad and relevant commercial experience. Reference is also made to fees in other companies broadly similar in size with similar time commitments and complexity.

Each Non-Executive Director is paid a basic fee. Additional fees are payable for acting as Senior Independent Director and as Chair of the Audit and Risk, Remuneration, Nomination and ESG Committees. The Non-Executive Directors are not eligible to participate in the Company's performance-related incentive plans or pension arrangements. Non-Executive Directors may be eligible to receive benefits such as the use of secretarial support, travel costs and other benefits that may be considered appropriate.

Non-Executive Director fees are typically reviewed by the Board every year with any adjustments ordinarily effective from 1 April each year. Increases typically do not exceed those of the wider workforce, however, in appropriate circumstances, increases of a higher amount may be made taking into account individual circumstances such as an increase in scope or responsibility of the individual's role, alignment to market levels, or a change in the size or complexity of the business.

Remuneration of employees below Executive Director level

The principles behind the Remuneration Policy for Executive Directors are cascaded down through the Group, as far as is appropriate. They aim to attract and retain the best staff and to focus their remuneration on the delivery of long-term sustainable growth by using a mix of salary, benefits, bonus and longer-term incentives. As a result, no element of the Executive Director Remuneration Policy is operated exclusively for Executive Directors.

26 If the offer by Actium Bidco (UK) Limited to acquire Alpha, referred to elsewhere in this report, is completed, it is expected that the Non-Executive Directors will resign shortly after its completion. In addition, no further AGMs would be held after completion of the offer if, as expected, the Company is re-registered as a private company following completion.

27 While Ken Fry's term of appointment expires at the 2026 AGM, he will have served as Director for nine years by 2025 and is therefore expected that he will not seek re-election by shareholders at the 2025 AGM (if held).

28 The Board has approved the appointment of Penny Judd for a further three years from the date of the 2024 AGM (if held).

The Board believes that this structure provides a compelling remuneration package that reinforces teamwork, aligns the employees with the Group's objectives and helps to promote a feeling of ownership amongst all employees.

All employees of the Group receive a fixed salary that is competitive to the market and a profit share or cash bonus scheme, alongside other benefits.

Certain senior employees also receive long-term equity incentive awards. Performance metrics for annual bonus schemes and long-term equity incentives for employees below Board level typically have a greater focus on regional and/or divisional targets and personal objectives, with a lesser focus on overall Group performance, to ensure that these are meaningful and relevant to the individuals concerned. From FY 25, senior management incentive arrangements retain an element of Group EPS and TSR performance measured over three years.

It is the intention that a gradual rebalancing of remuneration towards annual cash variable pay and away from share incentives over a five-year transition period will also be applied to this group, to support a reduction in share dilution levels over time.

Share award dilution levels

In order to bring dilution from share awards more into line with the UK market standard, alongside the changes to Executive Director remuneration, the Group is implementing changes to the remuneration of other senior executives and employees to rebalance variable remuneration towards cash from share incentives. To ensure smooth, fair and effective implementation, the reduction in the level of share awards will be carried out over five years.

Annual report on remuneration

FY 24 Executive Directors' remuneration outcomes

The single-figure table below summarises the remuneration of the Directors who served during the current year:

	Salary and fees[29] £'000 FY 24	Salary and fees[30] £'000 FY 23	Pension £'000 FY 24	Pension £'000 FY 23	Other benefits (private healthcare) £'000 FY 24	Other benefits (private healthcare) £'000 FY 23	Bonus[31] £'000 FY 24	Bonus £'000 FY 23	Gains on vesting of equity incentive awards[32] £'000 FY 24	Gains on vesting of equity incentive awards[33] £'000 FY 23	Total £'000 FY 24	Total £'000 FY 23
Executive Directors												
Luc Baqué	523	N/A	42	N/A	1	—	—	N/A	644	N/A	1,210	N/A
John Paton	325	300	—	—	1	—	—	30	510	366	836	696
Non-Executive Directors												
Maeve Byrne	69	56	—	—	—	—	—	—	—	—	69	56
Ken Fry	101	93	—	—	—	—	—	—	—	—	101	93
Penny Judd	69	63	—	—	—	—	—	—	—	—	69	63
Jill May	69	63	—	—	—	—	—	—	—	—	69	63
Total	**1,156**	**575**	**42**	**—**	**2**	**—**	**—**	**30**	**1,154**	**366**	**2,354**	**971**

29 On 13 September 2022, a fee of £5,000 per annum was introduced for each Non-Executive Director for their work chairing a Board committee; this fee has been pro-rated accordingly for FY 23. For FY 24 this fee was increased to £5,300 per annum.

30 Luc Baqué was appointed to the Board on 1 April 2023. His remuneration as an employee for FY 23 is not included in this table on the basis that he was not a Director of the Company during FY 23. Maeve Byrne was appointed on 16 May 2022; her annual fee for FY 23 of £60,000 was pro-rated accordingly.

31 No bonuses were awarded to the Executive Directors in relation to FY 24. For FY 23, the Committee approved the award of Executive Director bonuses for FY 23 at the equivalent of 10% of their respective base salaries.

32 154,185 RSUs granted to Luc Baqué on 22 July 2020 vested and were released on 22 June 2023. 126,652 JSOP awards granted to John Paton on 22 July 2020 vested on 22 July 2023 and remain unexercised. Further details are set out on pp 92–93.

33 88,105 JSOP awards granted to John Paton on 19 July 2019 vested on 19 July 2022, and were subsequently exercised on 24 August 2022. In the FY 23 Annual Report, a gain of £388,000 was reported in relation to John Paton's exercise of equity incentive awards on 24 August 2022. From FY 24 onwards, gains on vested (rather than exercised) equity incentive awards are being reported in the single figure table. Therefore, to ensure consistency, this FY 23 figure has been updated to reflect the gain on the vesting date of 19 July 2022.

Annual report on remuneration *continued*

Salary, benefits and pension

For FY 24, Luc Baqué's salary was €600,000 (£523,000) and John Paton's salary was £325,000. During the year pension contributions were received by Luc Baqué of €49,000 (£42,000). No pension contributions were received by John Paton during the year.

Annual bonus

In FY 24, both of the Executive Directors were eligible to earn a performance-related cash bonus of up to 10% of base salary, with the opportunity for higher bonuses in the event of financial outperformance. Given that FY 24 profits were below targeted levels, no bonuses were awarded to the Executive Directors in respect of FY 24.

Share incentive plan

The Committee approved the grant of annual incentive awards to the senior management team globally, including the Executive Directors, in July 2023, comprising UK joint share ownership plan awards ("JSOP" shares) and MIP share options. Details of the awards granted to the Executive Directors are set out below.

The performance criteria for FY 24 share incentive awards to the Executive Directors and senior management of the Group were four-fold and depended on the individual and their role:

- The Group achieving adjusted EPS growth in FY 24 of 11.25% or more to trigger a maximum award, or 7.5% to trigger a 66% award, with a linear application of awards between these levels.
- The Group achieving a TSR over three years in excess of the mean TSR delivered by a peer group of comparable companies.
- Personal adherence to corporate values and risk policy.
- Personal targets and goals, including business unit EBITDA for members of senior management.

The performance conditions for share incentive awards to be granted to the Executive Directors and senior management in FY 25 and beyond will be more closely aligned to market standards for an AIM-quoted company of Alpha's size, as explained on p. 88.

Vesting during FY 24

In June 2023, 154,185 RSU awards granted to Luc Baqué on 22 June 2020 (prior to his appointment to the Board) vested and were released. The closing price at the award date was £1.85 and the price on the vest date was £4.18.

In July 2023, 126,652 JSOP awards granted to John Paton on 22 July 2020 vested. The closing price at the award date was £1.85 and the hurdle rate was £2.11. The closing price on the date of vest was £4.03. These awards remain unexercised by John Paton.

The performance conditions relating to these awards, including EPS growth in FY 21, total shareholder return and financial and behavioural targets, were met in full.

Details of Executive Directors' share awards held as at 31 March 2024 are set out below:

Luc Baqué

Grant date	Options/RSUs as at 1 April 2023	Granted during the year	Share price at grant (p)	Share price at vest/release (p)	Exercised/ released during the year	Lapsed during the year	Options/RSUs as at 31 March 2024	Vesting/ release date
18/06/2019	154,185	—	228	418	(154,185)	—	—	Vested on 22/06/2023
22/07/2020	253,304	—	185	—	—	—	253,304	22/07/2024[34]
06/07/2021	205,882	—	353	—	—	—	205,882	06/07/2024[34]
01/07/2022	179,487	—	390	—	—	—	179,487	01/07/2025
04/07/2023[35]	—	201,005	400	—	—	—	201,005	04/07/2026
Total	**792,858**	**201,005**			**(154,185)**	**—**	**839,678**	

34 Luc Baqué has two awards vesting in July 2024 relating to his previous role and granted under the French Share Plan Rules, in respect of two separate performance periods.
35 Based on the Committee's assessment of the performance conditions of these awards, which include one-year EPS performance for FY 24, these awards held by the Executive Directors will not vest.

John Paton

Grant date	Options as at 1 April 2023	Granted during the year	Share price at grant (p)	Share price at vest (p)	Exercised during the year	Lapsed during the year	Options as at 31 March 2024	Vesting date
22/07/2020	126,652	—	185	403	—	—	126,652	Vested on 22/07/2023, but remain unexercised
06/07/2021	83,823	—	353	—	—	—	83,823	06/07/2024
01/07/2022	76,923	—	390	—	—	—	76,923	01/07/2025
04/07/2023[35]	—	87,939	400	—	—	—	87,939	04/07/2026
Total	**287,398**	**87,939**			**—**	**—**	**375,337**	

Payments to past Directors for loss of office

There were no payments for loss of office during the year. Euan Fraser stepped down from the role of Chief Executive Officer and from the Board on 31 March 2023 and remained employed by the Group as a Strategic Adviser to the Board on a part-time basis until 9 January 2024. The Remuneration Committee deemed him to be a good leaver and, as such, he retained his outstanding share awards, which vest at the end of their normal vesting periods and are subject to performance and other conditions.

Non-Executive Directors' fees

For FY 24, the Chairman of the Board received a fee of £95,400 and the base fee for the three other Non-Executive Directors was set at £63,600 during the year. The Chair of each committee of the Board received an additional annual fee of £5,300.

Remuneration consultants

The Group engaged h2glenfern Remuneration Advisory as its Remuneration Consultant during the year, to conduct a formal review of the Group's Remuneration Policy for the Executive Directors and the senior management team, and to support the formulation and implementation of the Group's FY 25 Remuneration Policy. h2glenfern is a member of the UK Remuneration Consultants Group and, as such, voluntarily adheres to its Code of Conduct. The Committee considers the advice that it receives from h2glenfern to be independent. There are no relationships between h2glenfern and either the Company or its individual Directors to be disclosed.

Directors' share interests

The Directors' interests in the share capital of the Company as at 31 March 2024 and the movements during the year are set out below:

	Number of ordinary shares as at 31 March 2023 (or date of appointment)	Disposed of during the year	Acquired during the year	Number of ordinary shares as at 31 March 2024	Percentage of total voting rights as at 31 March 2024
Luc Baqué	1,068,929	—	154,185	1,223,114	1.00%
John Paton	158,741	—	—	158,741	0.13%
Maeve Byrne	—	—	—	—	0.00%
Ken Fry	184,090	—	—	184,090	0.15%
Penny Judd	—	—	—	—	0.00%
Jill May	12,307	—	—	12,307	0.01%

There were no changes in the Directors' interests in shares between 31 March 2024 and 20 June 2024.

Annual report on remuneration *continued*

Remuneration arrangements for FY 25

The Remuneration Committee sees FY 25 as a transitional year in terms of the Group's remuneration strategy, to which the principles of new Remuneration Policy have been applied, together with some transitional arrangements to avoid any significant variations in on-target earnings for equivalent performance from FY 24 to FY 25. Importantly, there is no intention to increase the overall remuneration opportunity at on-target levels of performance. Stretching performance conditions will ensure that significant out-performance against targets is required for maximum vesting to occur.

The Committee has set FY 25 remuneration for the Executive Directors as follows:

Base salaries

Taking into consideration the performance of the Group in FY 24 and the challenging market context, the Remuneration Committee has agreed that base salaries for the Executive Directors for FY 25 will remain unchanged from FY 24 levels. Luc Baqué's salary from 1 April 2024 is therefore €600,000 per annum. John Paton's salary from 1 April 2024 is therefore £325,000 per annum.

Annual bonus

The FY 25 bonus maximum opportunity for the Chief Executive Officer, Luc Baqué, and for the Chief Financial Officer, John Paton, will be set at 90% of salary and 60% of salary, respectively.

70% of the overall opportunities will vest by reference to performance against financial objectives (split 45% for EBITDA growth and 25% for net fee income growth). 30% of the opportunities will vest by reference to personal performance against non-financial objectives.

For 25% of the bonus awards opportunities to vest, threshold performance aligned to market consensus must be met. Significant outperformance beyond target levels is required for 100% of the opportunities to vest. Therefore, while the bonus opportunities have been increased from FY 24 to FY 25, more stringent thresholds and stretch targets have been applied than in FY 24. Market standard malus and clawback conditions also apply.

25% of bonuses paid to the Executive Directors will be subject to a two-year deferral into shares, subject to £25,000 minimum share deferral.

Long-term equity incentive awards

The FY 25 equity incentive opportunity for the Chief Executive Officer, Luc Baqué, will be set at a maximum opportunity at 150% of salary. The FY 25 equity incentive opportunity for the Chief Financial Officer, John Paton, will be set at a maximum opportunity at 125% of salary. These opportunities are set at similar levels to FY 24, but are subject to more stringent vesting requirements than in FY 24. Key features of the equity incentive awards in FY 25 are as follows:

- 75% of the opportunity will vest by reference to EPS growth over three years. Threshold vesting of 25% of the awards will occur at 5% compound annual growth rate ("CAGR"). Full vesting at 12% CAGR;
- 25% of the opportunity will vest by reference to relative TSR growth over three years. Threshold vesting at median and full vesting at upper quartile performance;
- Three-year vesting period, followed by a two-year holding period; and
- Market standard malus and claw back conditions.

It is intended that the full vesting target level will increase to 15% CAGR for FY 26 awards. 12% CAGR has been applied for FY 25 to provide for a smooth transition to the new structure. The previous three-year relative TSR target required performance in excess of the mean of a peer group. As such, significantly higher levels of overall performance are required under the new structure to trigger higher levels of vesting.

Chairman and Non-Executive Director fees for FY 25

The Board approved an annual increase of 3.5% in Non-Executive Director fees for FY 25, taking into account inflation rates and the Group's annual pay review for UK employees. With effect from 1 April 2024, the Chairman's base fee is £98,700 per annum and the Non-Executive Directors' base fees are £65,800 per annum. Each Non-Executive Director also chairs a Board committee and receives an additional fee of £5,500 per annum.

Penny Judd
Chair of the Remuneration Committee
20 June 2024

Directors' report

The Directors present their Annual Report and the audited consolidated financial statements of Alpha Financial Markets Consulting plc (the "Company", the "Group") for the year ended 31 March 2024.

Alpha Financial Markets Consulting plc is incorporated in England and Wales with registered number 09965297. The Company's registered office is 60 Gresham Street, London, EC2V 7BB. The Company is a public limited company and is listed on AIM of the London Stock Exchange.

The Directors believe that the requisite components of this report are set out elsewhere in the Annual Report and/or on the Company's website, alphafmc.com/investors. The table sets out where the necessary disclosures can be found.

Business performance

Principal activities	Alpha Financial Markets Consulting plc is the holding company for a global group of companies, the principal activity of which is the provision of consulting and related services to clients in the asset management, wealth management and insurance industries. A review of the performance and future development of the Group's business is contained in the Chairman's, the Chief Executive Officer's and the Chief Financial Officer's reports on pp 9–11, pp 12–15 and pp 26–30 respectively.
Results	The financial results for the year ended 31 March 2024 are set out in the Chief Financial Officer's report on pp 26–30 and in the consolidated statement of comprehensive income on p. 108 and further commented upon in the Chief Executive Officer's report on pp 12–15. The Directors consider the current state of affairs of the Group to be satisfactory.
Dividends	An interim dividend of 3.70p per share was paid in December 2023 (FY 23: 3.70p). In view of the recommended cash offer to acquire Alpha by Actium Bidco (UK) Limited, a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint Advisers Limited, the Board is not recommending a final dividend. If the acquisition does not complete, it is expected that the Board would declare a final dividend in respect of FY 24 at a later date. Information regarding dividend payments can also be found in note 10 to the consolidated financial statements.
Strategic Report	The Strategic Report can be found on pp 4–61.
Activities in research and development	The Company did not engage in any material research and development activities in the year.
Future developments	On 20 June 2024, the Board announced a recommended cash offer to acquire Alpha by Actium Bidco (UK) Limited, a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint Advisers Limited. Further details of this offer can be found on p. 64 and on the Company's website. Further details about the Company's future developments can be found in the strategy section on pp 22–23.
Post-balance sheet events	Details of post-balance sheet events are provided in note 27 to the consolidated financial statements. Additionally, the reports of the Chief Executive Officer and Chief Financial Officer provide updates on trading after the balance sheet date.
Going concern	The Directors have considered the going concern status of the Company and are satisfied that the Company remains a going concern. Details of the going concern basis are set out in note 1 to the consolidated financial statements. Further commentary can be found in the Chief Financial Officer's report on p. 30.
Branches	Alpha Financial Markets Consulting plc has a branch in France. Additionally, as disclosed on p. 5, after the year-end, Alpha launched a new branch in Abu Dhabi, which is to be overseen by and will initially form part of the UK business.
Financial instruments	The notes to the financial statements, including note 23 from p. 142, include further information on the Group's use of financial instruments.

Directors

Directors	Directors that have served during the year and summaries of the current Directors' key skills and experience are set out in the Corporate Governance report on pp 66–67.
Directors' indemnity provisions	As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial period and at the date of approval of the financial statements.
Directors' interests	Details of the Directors' beneficial interests are set out in the Remuneration Committee report on p. 93.
Directors' and Officers' liability insurance	The Group purchases and maintains Directors' and Officers' liability insurance for the benefit of its Directors, which was in place throughout the year and remains in place at the date of this report.

Corporate Governance
Directors' report continued

Constitution

Articles of Association	Any amendments to the Company's Articles of Association may be made by special resolution of the shareholders. A copy of the Articles of Association can be found on the Company's website: alphafmc.com/investors/aim-rule-26. The Company has only one class of ordinary share, which carries no right to fixed income, and each ordinary share is entitled to one vote at general meetings of the Company.

Stakeholders and policies

Section 172 Statement	The Company's section 172 statement and key Board decisions can be found in the Strategic Report on pp 31–35.
Employee engagement	Details of how the Group engages with Alpha employees are set out in the section 172 statement in the Strategic Report on p. 34 and further described in the looking after our people section on pp 36–39.
Employees with disabilities	Alpha is a Disability Confident Employer. Further details of Alpha's commitment to being an inclusive and disability-friendly organisation are set out under the looking after our people section on pp 36–39.
Stakeholder engagement and key decisions	Details of the key decisions and discussions of the Board during the year and the main stakeholder inputs into those decisions are set out in the section 172 statement of the Strategic Report on pp 32–33.
Modern Slavery Statement	The Company has approved and published its Modern Slavery Statement on its website in accordance with the Modern Slavery Act 2015.
Political donations	The Company made no political donations during the year to 31 March 2024.
Streamlined Energy and Carbon Reporting ("SECR")	Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we are mandated to disclose our UK energy use and associated greenhouse gas ("GHG") emissions. Specifically, Alpha is required to report those GHG emissions relating to natural gas, electricity and transport fuel, as well as an intensity ratio, under the SECR Regulations. Further details can be found in the sustainable business section on pp 40–47.
Task Force on Climate-related Financial Disclosure report ("TCFD report")	The Group has this year published its first TCFD report, which details how the Group identifies and monitors climate-related risks and opportunities. This can be found on pp 48–51.
Financial risk management	The Group has established internal control and risk management structures for preparing the consolidated financial statements. The key features of this framework are described in the risk management section of the Strategic Report on pp 52–56 and in note 23 to the consolidated financial statements.

Shareholders and share capital

Share capital	The Company's issued share capital as at 31 March 2024 was 122,009,736 ordinary shares of 0.075p each ("Ordinary Shares"), none of which were held in treasury and 7,537,366 of which were held in the Company's employee benefit trust ("EBT"). During the year, the EBT purchased a total of 1,035,154 Ordinary Shares in the Company. The shares are held in the EBT, a discretionary trust, and are intended to be used to satisfy the exercise of share options by employees, including the Executive Directors of the Company. A total of 7,537,366 Ordinary Shares were held by the EBT on 31 March 2024. These Ordinary Shares hold voting rights, albeit the EBT does not exercise these voting rights, nor receive dividends in respect of these shares. Details of the issued share capital and movements in the Company's issued share capital during the year are shown in the consolidated statement of changes in equity and note 21 to the consolidated financial statements. The Company has only one class of Ordinary Share, which carries no right to fixed income. Each Ordinary Share is entitled to one vote at general meetings of the Company.
Authority to purchase own shares	The Company was authorised by a shareholders' resolution passed at the Annual General Meeting held on 6 September 2023 to purchase up to 10% of its issued share capital for cancellation or holding in treasury. This authority will expire at the 2024 AGM (if held). The Company purchased no shares during the year under this authority. During the year, the EBT purchased a total of 1,035,154 Ordinary Shares in the Company.

Shareholders and share capital *continued*

Major interests in shares

As at 20 June 2024, the Company had been notified, in accordance with chapter five of the Disclosure and Transparency Rules, or was otherwise aware, of the following significant interests in the issued ordinary share capital of the Company:

Name of person(s) subject of notification	Percentage of voting rights and issued share capital
Invesco	8.81
Gresham House Asset Management Ltd	8.28
abrdn	6.29
Janus Henderson Investors	5.73
Rathbones Group plc	4.81
Kempen Oranje Participants N.V.	4.64
Investec Wealth & Investment	4.60
Swedbank Robur	4.03
NFU Mutual	3.45

Annual General Meeting	Details of the Company's 2024 AGM can be found on p. 75 of this report.

Auditor and audit

Disclosure of information to the auditor	In the case of each of the persons who are Directors of the Company at the date when this report was approved: — So far as each of the Directors is aware, there is no information relevant to the audit of which the Company's auditor is unaware; and — Each of the Directors have taken all the steps that they ought to have taken as a Director to make themselves aware of any information relevant to the audit and to establish that the Company's auditor is aware of that information.
Auditor	The auditor, KPMG LLP, has indicated its willingness to continue in office and a resolution seeking to re-appoint KPMG LLP as the Group's auditor will be proposed at the 2024 AGM (if held).

By order of the Board.

John Paton
Chief Financial Officer
20 June 2024

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange, they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and they have elected to prepare the parent Company financial statements on the same basis.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant, and reliable and, in respect of the parent Company financial statements only, prudent;
- State whether they have been prepared in accordance with UK-adopted international accounting standards;
- Assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

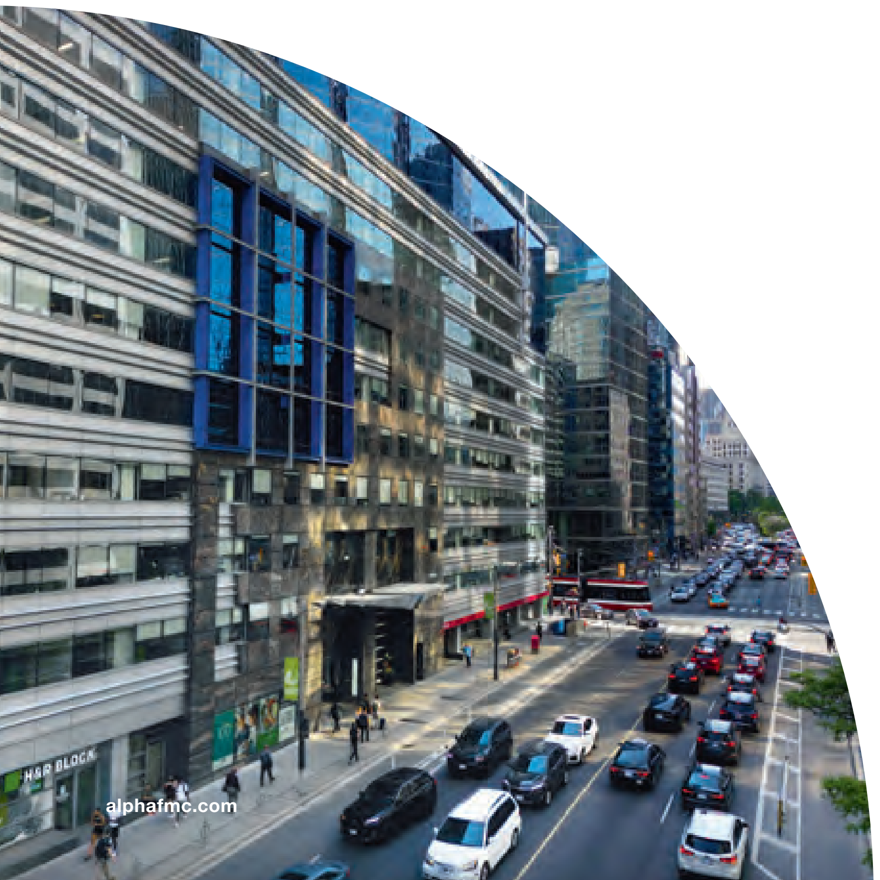
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply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

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

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

By order of the Board.

John Paton
Chief Financial Officer
20 June 2024



Independent auditor's report

to the members of Alpha Financial Markets Consulting plc

1. Our opinion is unmodified

We have audited the financial statements of Alpha Financial Markets Consulting plc ("the Company") for the year ended 31 March 2024, which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, company statement of financial position, company statement of changes in equity, and the related notes, including the accounting policies in note 1 to both the consolidated financial statements and company financial statements.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Overview

Materiality: Group financial statements as a whole	£1.25m (FY 23: £1.5m) 4.9% (FY 23: 4.8%) of Group profit before tax adjusted for acquisition costs, employment-linked and contingent consideration	
Coverage	84% (FY 23: 84%) of Group absolute profit before tax excluding intercompany	
Key audit matters		vs FY 23
Recurring risks	Revenue recognition on contracts in progress at year end, and recognition of deferred and accrued income	◀▶
	Presentation and disclosure of adjusting items (alternative performance measures)	◀▶
	Recoverability of parent Company's investments in subsidiaries and receivables due from Group entities (parent Company only)	◀▶

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

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from FY 23).

	The risk	Our response
Revenue recognition on contracts in progress at year end, and recognition of deferred and accrued income (Revenue £235.5m, FY 23: £228.7m; Deferred income £1.9m, FY 23: £1.0m; Accrued income £4.4m, FY 23: £3.7m) Refer to p. 82 (Audit and Risk Committee Report), p. 117 (accounting policy) and p. 120, p. 135 and pp 137–138 (financial disclosures)	**Inappropriate recognition of revenue on contracts in progress at year end by error or fraud, and impact on resulting deferred and accrued income:** Billing of contracts is either on a time and expense or milestone basis. There is a risk that revenue transactions around the year end, including the associated deferred and accrued income, might be incorrectly recorded, either in error or fraudulently, such that it does not reflect hours worked or the services provided.	Our procedures included: — **Tests of detail (tracing and agreeing):** we assessed the appropriateness of revenue recognised by: • selecting a sample of revenue transactions recognised in March 2024 and April 2024 and obtaining the contract to determine if time and expense or milestone; • for time and expense engagements, agree to the invoice and hours recorded on timesheet records to assess that the revenue has been recognised in the appropriate financial year; • for milestone contracts, agree to the invoice and deliverable specified in the terms and conditions of the contract to assess whether revenue has been recognised in the appropriate financial year; • selecting a sample of items included in deferred income at 31 March 2024 and agreeing that the amounts billed per the invoice are in advance of the work being completed as specified in the terms and conditions of the contract; and • selecting a sample of items included in accrued income at 31 March 2024 and agreeing: that amounts accrued agree to hours recorded on timesheet records that have not been invoiced; that contracts with the customer are in place for the work performed; and that amounts accrued have been invoiced post-year end. We performed the detailed tests above rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support reliance on controls. — **Assessing transparency:** we considered the adequacy of the Group's disclosures in respect of revenue, deferred income and accrued income.

	The risk	Our response
Presentation and disclosure of adjusting items (alternative performance measures) (Adjusting items £14.3m, FY 23: £15.8m) Refer to p. 82 (Audit and Risk Committee Report), p. 118 (accounting policy) and pp 121–124	**Inappropriate identification of adjusting items, and inappropriate presentation and disclosure of alternative performance measures by error:** The disclosure of adjusting items and alternative performance measures ("APMs") is subjective. There is a risk that items are inappropriately identified as adjusting items and/or items classified as adjusting items or APMs are disclosed on an inconsistent basis (both within the period and between periods), and that clear and accurate explanation of adjusting items is not given in order to manipulate the presentation of the performance of the business. There is also a risk that undue prominence is given to APMs.	Our procedures included: — **Tests of detail:** we assessed the appropriateness of the presentation of alternative performance measures and adjusting items by: • challenging the Group's classification of adjusting items and APMs through reference to external guidance and comparison to competitors. Assessing whether the adjusting items met the Group's definition of adjusting items and whether that presentation and the presentation of APMs is on a consistent basis with prior periods; • inspecting the Group's calculations of alternative performance measures to test the accuracy of the amounts in the disclosures; and • agreeing items separately disclosed to supporting invoice or Group's calculation and assessing whether they have been captured accurately. We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. — **Assessing transparency:** critically assessing the disclosure in the Annual Report and Accounts and considering whether appropriate prominence has been given to GAAP measures, and whether explanations of adjusting items and reconciliations of alternative performance measures and GAAP measures are clear and accurate.
Recoverability of parent Company's investments in subsidiaries and receivables due from Group entities (parent Company only) (Investment carrying value £70.5m, FY 23: £1.3m; Receivables due from Group entities £90.7m, FY 23: £165.0m) Refer to p. 82 (Audit and Risk Committee Report), pp 147–148 (accounting policy) and p. 149	**Recoverability of parent Company's investments in subsidiaries and receivables due from Group entities.** The carrying amount of the parent Company's investments in subsidiaries and of the intra-Group debtor balance together represents 99% (FY 23: 99%) of the parent Company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent company audit.	Our procedures included: — **Test of detail:** we assessed the recoverability of the parent Company investments and intra-Group receivables by comparing the carrying amount of investments in subsidiaries (post-reorganisation) and intra-Group debtors with reference to the relevant subsidiaries' draft balance sheets to identify whether they have net assets and whether those subsidiaries have historically been profit-making, and comparing to the market capitalisation of the Group. We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. — **Assessing transparency:** assessing the adequacy of the parent Company's disclosures in respect of investments in subsidiaries and Group debtor balances.

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

Materiality for the Group financial statements as a whole was set at £1.25m (FY 23: £1.5m), determined with reference to a benchmark of Group profit before tax normalised to exclude acquisition costs, employment- linked and contingent consideration as disclosed in note 4, of which it represents 4.9% (FY 23: 4.8%).

Materiality for the parent Company financial statements as a whole was set at £0.6m (FY 23: £0.7m), which is the component materiality for the parent Company determined by the Group audit engagement team. This is lower than the materiality we would otherwise have determined with reference to a benchmark of parent Company total assets, of which it represents 0.4% (FY 23: 0.4%).

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

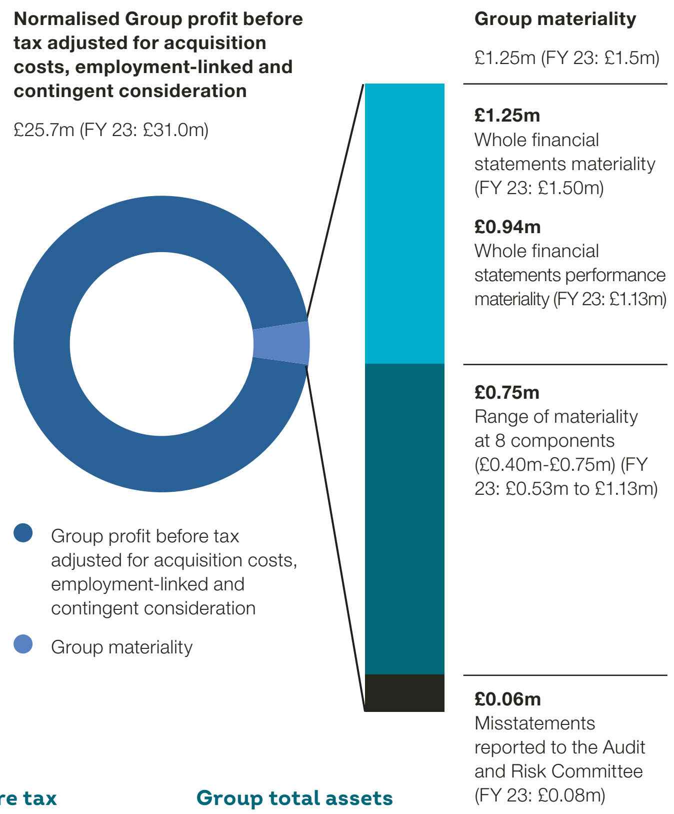
Performance materiality was set at 75% (FY 23: 75%) of materiality for the financial statements as a whole, which equates to £0.94m (FY 23: £1.13m) for the Group and £0.45m (FY 23: £0.53m) for the parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

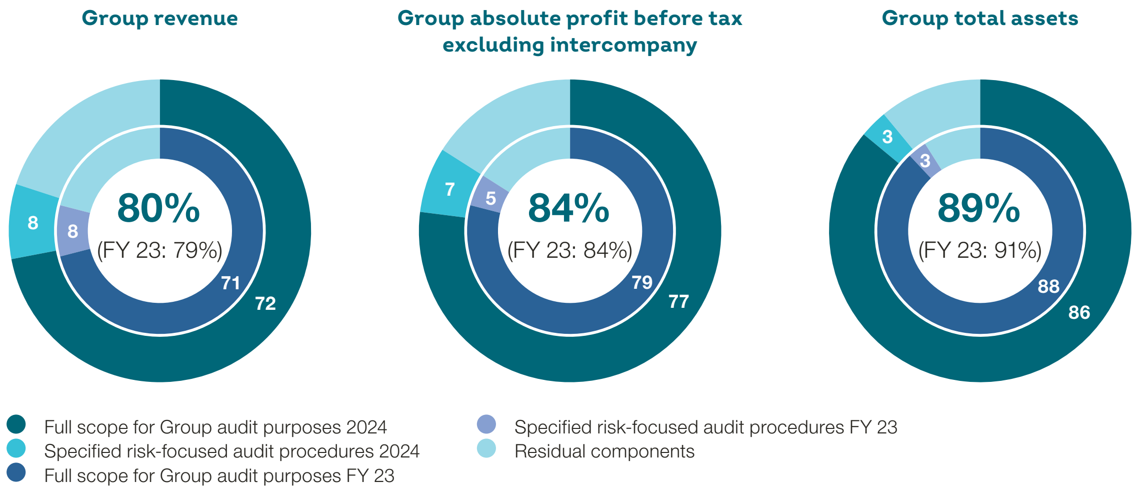
We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £0.06m (FY 23: £0.075m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 34 (FY 23: 34) reporting components, we subjected 7 (FY 23: 7) to full scope audits for Group purposes and 1 (FY 23: 1) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for Group purposes, but did present specific individual risks that needed to be addressed. We subjected 1 (FY 23: 1) component to specified risk-focused audit procedures over revenue, accrued income, deferred income and profit share accruals.

For the residual components, we performed analysis at an aggregated Group level to re-examine our assessment that there were no significant risks of material misstatement within these. The component materialities ranged from £0.40m to £0.75m (FY 23: £0.5m to £1.0m), having regard to the mix of size and risk profile of the Group across the components. The work on all of the components (FY 23: all of the components), including the audit of the parent Company, was performed by the Group team. The Group team performed procedures on the items excluded from normalised Group profit before tax. The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.

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





The remaining 20% (FY 23: 21%) of total Group revenue excluding intercompany, 16% of Group profit before tax excluding intercompany (FY 23: 16%) and 11% (FY 23: 9%) of total Group assets is represented by 26 (FY 23: 26) reporting components, none of which individually represented more than 4% (FY 23: 3%) of any of total Group revenue, Group profit before tax excluding intercompany or total Group assets. For these components, we performed analysis at an aggregated Group level to re- examine our assessment that there were no significant risks of material misstatement within them.

4. Going concern

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

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

— forecasted future revenue generation.

We considered whether this risk could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash and facilities (a "reverse stress test").

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and dependencies. We assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

— we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

— we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or parent Company's ability to continue as a going concern for the going concern period; and

— we found the going concern disclosure in note 1 to be acceptable.

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

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

Identifying and responding to risks of material misstatement due to fraud

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

— enquiring of Directors and the Audit and Risk Committee, and inspection of policy documentation as to the Group's high level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;

— reading Board and Audit and Risk Committee minutes;

— considering remuneration incentive schemes and performance targets for management and Directors including the adjusted EPS target for management remuneration; and

— using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

— the risk that Group management may be in a position to make inappropriate accounting entries;

— the risk of bias in accounting estimates and judgements such as employment-linked acquisition payments, share-based payments and contingent consideration; and

— the risk that revenue is recorded in the wrong period.

Further detail in respect of revenue recognition is set out in the key audit matter disclosures in section 2 of this report. We also performed procedures including:

— identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included unusual pairings with a credit or debit to an account above earnings before interest, tax, depreciation and amortisation, ("EBITDA"), with the opposite entry below EBITDA and unusual journals with a credit or debit entry to cash;

— identifying revenue transactions to test for all full scope components based on unusual pairings with a credit or debit to revenue; and

— assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non- compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

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

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

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

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

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

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

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

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

Strategic Report and Directors' Report

Based solely on our work on the other information:

— we have not identified material misstatements in the Strategic Report and the Directors' Report;

— in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

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

— adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

— the parent Company financial statements are not in agreement with the accounting records and returns; or

— certain disclosures of Directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on p. 98, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

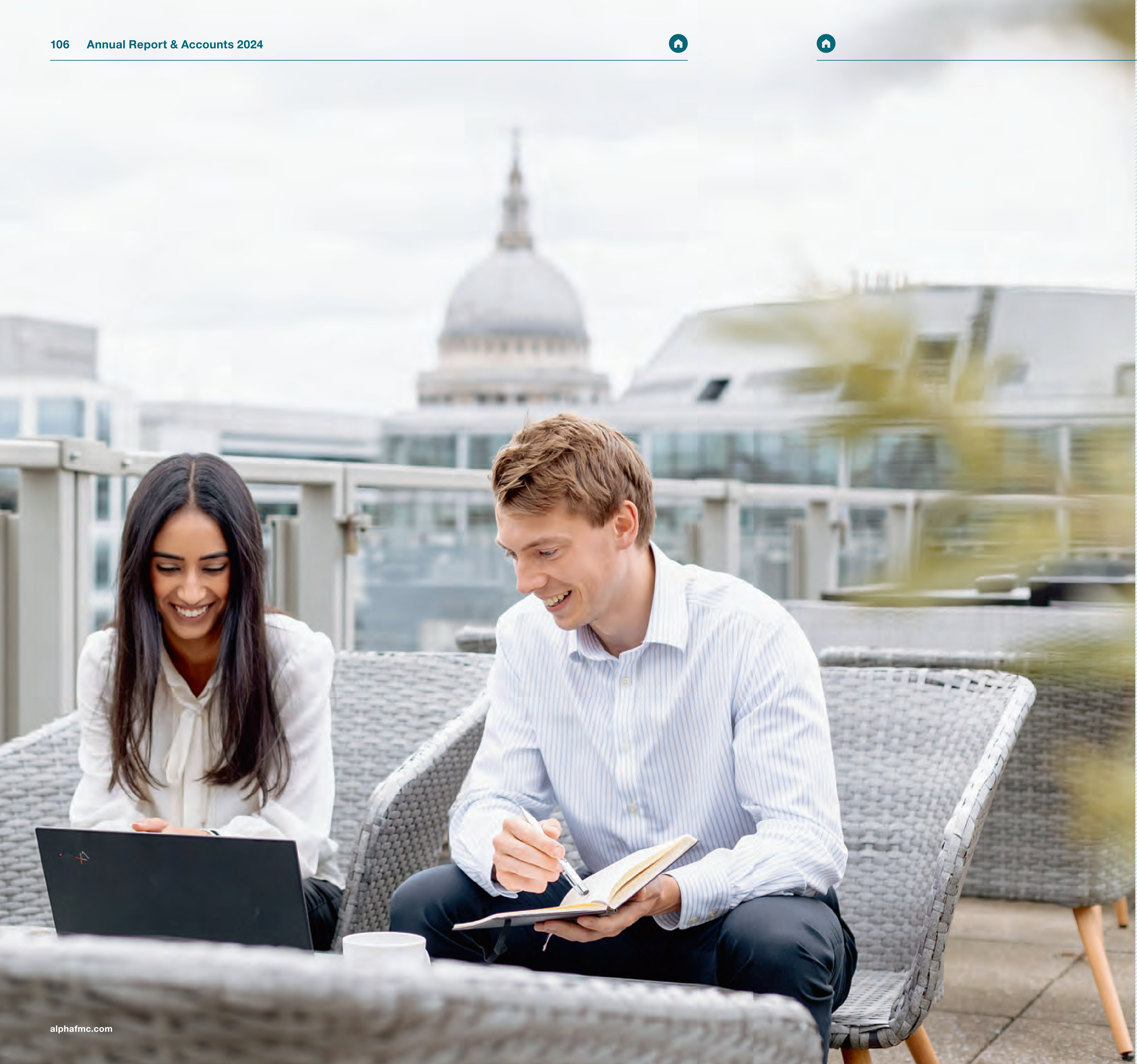
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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

Craig Parkin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
EastWest,
Tollhouse Hill,
Nottingham,
NG1 5FS

20 June 2024



Financial Statements

“Alpha are really great partners in our industry and bring to bear experience across asset classes, across geographies. They also bring tangible actionable benefits and insights.”

Global Head of Investor Services,
Global asset manager

Consolidated statement of comprehensive income

For the year ended 31 March 2024

	Note	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Continuing operations			
Revenue	2	**235,471**	**228,717**
Rechargeable expenses	2	(1,846)	(1,562)
Net fee income[36]	2	**233,625**	**227,155**
Cost of sales	2	(155,328)	(146,796)
Gross profit	2	**78,297**	**80,359**
Administration expenses		(53,219)	(51,723)
Operating profit	3	**25,078**	**28,636**
Finance income	6	346	364
Finance expense	6	(2,854)	(3,229)
Profit before tax		**22,570**	**25,771**
Taxation	8	(6,723)	(7,810)
Profit for the year		**15,847**	**17,961**
Items that may be reclassified to profit or loss:			
Foreign exchange differences on translation of foreign operations		(1,966)	3,510
Total other comprehensive income for the year		**(1,966)**	**3,510**
Total comprehensive income for the year		**13,881**	**21,471**
Basic earnings per share (p)	11	13.85	15.82
Diluted earnings per share (p)	11	12.98	14.79

36 Net fee income, adjusted EBITDA and other alternative performance measures are defined and reconciled in note 4.

Consolidated statement of financial position

As at 31 March 2024

	Note	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Assets			
Non-current assets			
Goodwill	12	105,179	103,676
Intangible fixed assets	12	25,073	27,588
Property, plant and equipment	14	947	1,113
Right-of-use assets	7	2,333	4,008
Deferred tax assets	9	2,666	3,033
Capitalised contract fulfilment costs	15	76	108
Total non-current assets		**136,274**	**139,526**
Current assets			
Trade and other receivables	15	42,185	34,128
Cash and cash equivalents	16	29,392	59,215
Total current assets		**71,577**	**93,343**
Current liabilities			
Trade and other payables	17	(46,373)	(60,539)
Provisions	18	(3,308)	(3,326)
Corporation tax		(1,526)	(1,321)
Lease liabilities	7	(1,413)	(2,104)
Total current liabilities		**(52,620)**	**(67,290)**
Net current assets		**18,957**	**26,053**
Non-current liabilities			
Deferred tax liabilities	9	(2,442)	(2,783)
Other non-current liabilities	19	(3,149)	(11,400)
Lease liabilities	7	(1,147)	(2,057)
Total non-current liabilities		**(6,738)**	**(16,240)**
Net assets		**148,493**	**149,339**
Equity			
Issued share capital	21	92	90
Share premium		119,438	119,438
Foreign exchange reserve		5,026	6,992
Other reserves		18,777	17,258
Retained earnings		5,160	5,561
Total shareholders' equity		**148,493**	**149,339**

The notes on pp 112-144 form part of these consolidated financial statements. These financial statements were approved and authorised for issue by the Board of Directors on 20 June 2024.

They were signed on its behalf by:

Luc MJ Baqué
Chief Executive Officer

John C Paton
Chief Financial Officer

Financial Statements

Consolidated statement of cash flows

For the year ended 31 March 2024

	Note	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Cash flows from operating activities:			
Profit for the year		15,847	17,961
Taxation	8	6,723	7,810
Finance income	6	(346)	(364)
Finance expenses	6	2,854	3,229
Loss/(profit) from exchange rate movements on cash held		448	(2,364)
Depreciation charge	7,14	2,769	1,933
Profit on disposal of fixed assets		(44)	(14)
Amortisation of intangible fixed assets	12	4,325	4,762
Share-based payment charge	22	6,663	7,023
Increase/(decrease) in provisions	18	18	(19)
Working capital adjustments:			
Increase in trade and other receivables		(7,679)	(3,834)
(Decrease)/increase in trade and other payables		(11,170)	7,752
Cash generated from operations		**20,408**	**43,875**
Tax paid		(7,633)	(13,285)
Net cash generated from operating activities		**12,775**	**30,590**
Cash flows from investing activities:			
Interest received	6	346	364
Acquisition consideration payments, including deferred and contingent, net of cash acquired	13	(16,981)	(20,829)
Purchase of intangible assets	12	(311)	(319)
Purchase of property, plant and equipment, net of disposals		(503)	(860)
Net cash used in investing activities		**(17,449)**	**(21,644)**
Cash flows from financing activities:			
Net settlement of vested share options		(457)	(343)
Purchase of own shares by the EBT		(3,843)	(1,139)
Drawdown of revolving credit facility	6	10,150	12,500
Repayment of revolving credit facility	6	(10,150)	(12,500)
Interest and bank loan fees		(1,254)	(482)
Principal lease liability payments	7	(1,989)	(1,315)
Interest on lease liabilities	7	(308)	(216)
Dividends paid	10	(16,246)	(12,774)
Net cash used in financing activities		**(24,097)**	**(16,269)**
Net decrease in cash and cash equivalents		**(28,771)**	**(7,323)**
Cash and cash equivalents at the beginning of the year		59,215	63,516
Effect of exchange rate movements on cash held		(1,052)	3,022
Cash and cash equivalents at the end of the year		**29,392**	**59,215**

Consolidated statement of changes in equity

For the year ended 31 March 2024

	Issued share capital £'000	Share premium £'000	Foreign exchange reserve £'000	Other reserves £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2022	89	119,438	3,482	9,361	375	132,745
Comprehensive income						
Profit for the year	–	–	–	–	17,961	17,961
Foreign exchange differences on translation of foreign operations	–	–	3,510	–	–	3,510
Transactions with owners						
Shares issued (equity)	1	–	–	–	(1)	–
Purchase of own shares by the EBT	–	–	–	(1,139)	–	(1,139)
Share-based payment charge	–	–	–	7,023	–	7,023
Net settlement of vested share options	–	–	–	(343)	–	(343)
Current tax recognised in equity	–	–	–	1,486	–	1,486
Deferred tax recognised in equity	–	–	–	870	–	870
Dividends	–	–	–	–	(12,774)	(12,774)
As at 31 March 2023	**90**	**119,438**	**6,992**	**17,258**	**5,561**	**149,339**
Comprehensive income						
Profit for the year	–	–	–	–	15,847	15,847
Foreign exchange differences on translation of foreign operations	–	–	(1,966)	–	–	(1,966)
Transactions with owners						
Shares issued (equity)	2	–	–	–	(2)	–
Purchase of own shares by the EBT	–	–	–	(3,843)	–	(3,843)
Share-based payment charge	–	–	–	6,663	–	6,663
Net settlement of vested share options	–	–	–	(457)	–	(457)
Current tax recognised in equity	–	–	–	569	–	569
Deferred tax recognised in equity	–	–	–	(1,413)	–	(1,413)
Dividends	–	–	–	–	(16,246)	(16,246)
As at 31 March 2024	**92**	**119,438**	**5,026**	**18,777**	**5,160**	**148,493**

Issued share capital

Issued share capital represents the nominal value of share capital subscribed.

Share premium

The share premium account is used to record the aggregate value of premiums paid when the Company's shares are issued at a premium, net of associated share issuance costs.

Foreign exchange reserve

The foreign exchange reserve represents exchange differences that arise on consolidation from the translation of the financial statements of foreign subsidiaries, including goodwill.

Other reserves

The other reserves represent the cumulative fair value of the IFRS 2 share-based payment charge recognised each year, associated current tax, deferred tax and net settlement of vested share options, equity-settled acquisition consideration reserves, and purchases of the Company's own shares by the employee benefit trust ("EBT").

Retained earnings

The retained earnings reserve represents cumulative net profits and losses recognised in the consolidated statement of comprehensive income, less dividends paid.

Notes to the consolidated financial statements

1. Summary of significant accounting policies

General information

The principal activity of the Group is the provision of specialist consulting and related services to clients in the financial services industry, principally in the UK, North America, Europe and APAC.

Alpha Financial Markets Consulting plc is incorporated in England and Wales with registered number 09965297. The Company is a public limited company and is listed on the AIM of the London Stock Exchange. Its registered office is 60 Gresham Street, London, EC2V 7BB.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 20 June 2024.

Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards.

These financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value.

The presentational currency of these financial statements is pound sterling. All amounts in these financial statements have been rounded to the nearest £1,000, except where otherwise stated.

Going concern

In assessing the Group's and the Company's abilities to continue on a going concern basis for a period of at least 12 months from the approval of these financial statements (the "going concern period"), the Directors considered the Group's projected cash flows, cash liquidity and existing undrawn borrowing facilities.

As at 31 March 2024, the Group held considerable financial resources including cash balances of £29.4m. The Group also has access, throughout the going concern period, to a revolving credit facility ("RCF") of £50.0m, providing further liquidity. See note 6 for details of the Group's banking facility, and also note 23 for details of the financial risks facing the Group.

The Group prepared cash-flow forecasts covering the going concern period. The base case assumes trading performance over the forecast period in line with the Board-approved budget, reflecting recovery to growth in FY 25 at slightly improved margins, including future non-operating cash flows related to dividends, deferred consideration and earn-out payments due. The Directors considered the principal risks and mitigants (as set out on pp 57-60) and analysed a range of cash-flow downside scenarios including a "reverse-stress test" scenario. This models the decline in sales that the Group would be able to absorb over the going concern period before utilising all of the existing cash reserves available, while assuming the maximum Lionpoint and Shoreline acquisition payments. The Directors consider this scenario and the sequence of events that could lead to it to be remote, as it requires annualised revenue reductions of over 30% compared to the base case, before modelling any mitigating cost reductions, assuming no dividends are paid and no further funding of the EBT is provided in the period. The Group's £50.0m RCF remains fully undrawn in all going concern scenarios.

While cognisant of the more challenging market environment experienced in FY 24, the Directors look forward with confidence for the Group to return to historic growth and profitability levels achieved.

After careful consideration of the scenarios, the Directors have a reasonable expectation that the existing resources of the Group and the Company are adequate to meet their requirements over the going concern period. On this basis, the Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

Additionally, the Board has considered the going concern assessment in light of the recommended cash offer for the acquisition of 100% of the Company's issued share capital by Actium Bidco (UK) Limited ("Bidco"), an indirect subsidiary of certain funds managed by Bridgepoint Advisers Limited ("Bridgepoint") (the "Acquisition"), which is subject to shareholder approval.

Whilst the current Board is not expected to continue in its current form following completion of the Acquisition, the Directors have considered the strategic plans and intention statements of Bidco around the operation of the Group, potential initiatives to accelerate growth and scale existing Group businesses, outlined in the recommended cash offer announcement dated 20 June 2024 made pursuant to Rule 2.7 of the Takeover Code. It is also currently expected that the Company will remain in existence as an intermediate holding company under the potential new Acquisition structure during the going concern period.

Considering these factors and information available to the Board at this stage, alongside the Board's current understanding of the potential Acquisition structure, the Board is not aware of any reason to change its going concern assessment.

Basis of consolidation

These financial statements consolidate the financial statements of the Company and its subsidiary undertakings (the "Group") as at 31 March 2024.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-Group balances, income and expenses and unrealised gains and losses resulting from intra-Group transactions are eliminated in full.

Principal accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

Significant judgements and estimates

The preparation of financial information in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

Judgements

In the process of applying the Group's accounting policies, the Directors have made two judgements (excluding those involving estimations), which are considered to have a significant effect on the financial statements for the year ended 31 March 2024.

Alternative performance measures

To assist in understanding the underlying performance of the Group, management presents various alternative performance measures ("APMs"), which exclude certain adjusting items. APMs are provided to allow stakeholders a further understanding of the underlying trading performance of the Group and to aid comparability between accounting periods. Management applies judgement to identify those adjusting items that warrant exclusion from the Group's adjusted measures to allow stakeholders a further understanding of the underlying performance of the business. These adjusting items have been applied consistently across reporting periods. A reconciliation to IFRS measures, and explanation of each adjusting item excluded, is provided in note 4.

All adjusting items are considered individually for exclusion by virtue of their nature or size. In the year ended 31 March 2024, these items totalled £14.3m (FY 23: £15.8m) recognised in administration expenses. A further £1.6m (FY 23: £2.4m) of non-underlying costs were recognised within finance expenses.

Revenue recognition

Revenue is the Group's most significant caption in the consolidated statement of comprehensive income. Whilst the majority of the Group's revenue is contracted on a time and materials basis, the Group also has some fixed-price milestone contracts. The recognition of revenue on such contracts involves consideration of the detailed contractual terms against the requirements of IFRS 15. The key judgements include assessment of whether revenue should be recognised over time or at a point in time, and whether the performance obligations under the contract have been met at the balance sheet date, to best reflect the transfer of services through the life of each contract.

Further information regarding the methods used to recognise revenue for both time and materials and milestone contracts is provided in the Group's accounting policy, as detailed on p. 117.

Estimates

A number of estimates have been made in the preparation of the financial statements. The underlying assumptions in the Group's estimates are based on historical experience and various other factors that are deemed to be reasonable under the circumstances. These assumptions form the basis of calculating estimates of the carrying values of assets and liabilities that are not apparent from other sources. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to estimates are recognised in the year in which the estimate is revised and any future years affected. Actual results can differ from these estimates.

The Directors have not identified any key estimates that are considered to have a significant risk of a material adjustment within the next financial year. However, the Directors have identified one other area of estimation uncertainty.

Share-based payments

Management has estimated the share-based payment expense under IFRS 2. In determining the share-based payment expense and the associated social security tax thereon, management has considered several internal and external factors to judge the probability that management and employee share incentives may vest and to assess the fair value of share options at the date of grant. Such assumptions involve estimating future performance, share price and other factors. The fair value calculations have been assessed by a third-party expert for reasonableness in the current and prior periods. Refer to note 22 for sensitivity analysis.

Property, plant and equipment

All property, plant and equipment are stated at historical cost (or deemed historical cost) less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is applied on all property, plant and equipment at rates calculated to write each asset down to its estimated residual value on a straight-line basis at the following annual rates:

Tangible fixed asset	Useful economic life
Leasehold improvements	3–10 years
Fixtures and fittings	3–4 years
Computer equipment	3 years

Useful economic lives and estimated residual values are reviewed annually and adjusted as appropriate.

Business combinations, goodwill and consideration

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured at their fair values at the acquisition date.

Goodwill arises when the fair value of the consideration for a business exceeds the fair value of the identifiable net assets acquired.

In determining the fair value of intangible assets arising on a business combination, management assesses the timing and amount of future cash flows applicable to the intangible assets being acquired, discounted using an appropriate discount rate. The estimated cash flows are based on current budgets and forecasts, extrapolated for an appropriate period, considering growth rates and expected changes to selling prices and operating costs. Management estimates an appropriate discount rate using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the business being acquired (see note 12).

In line with IAS 21 para 47, goodwill arising on the acquisition of a foreign operation is held in local currency and is retranslated into the Group's presentational currency at each reporting date using the closing foreign exchange rate.

Goodwill is initially recognised and measured as set out above. Goodwill is not amortised but is reviewed for impairment at least annually as described below.

Impairment reviews – goodwill

Goodwill is tested for impairment annually or, more frequently, when there is an indication of impairment. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") or groups of cash-generating units expected to benefit from the synergies of the combination. The CGUs have been grouped in line with the Group's operating segments as this is the level at which goodwill is monitored by management. Therefore, the groups of CGUs considered for impairment testing are UK, North America and Europe & APAC.

The Group performs impairment reviews at the reporting period end to identify any goodwill assets that have a carrying value that is in excess of its recoverable amount. Determining the recoverability of goodwill requires judgement in both the methodology applied and the key assumptions within that methodology. If it is determined that an impairment is required, the carrying value of the goodwill is reduced to its recoverable amount with the difference recorded as an impairment charge in the consolidated statement of comprehensive income. Any impairment loss recognised for goodwill is not reversed.

In accordance with IAS 36, the Group has tested goodwill for impairment at the balance sheet date. No goodwill impairment was deemed necessary at 31 March 2024.

Notes to the consolidated financial statements continued

1. Summary of significant accounting policies *continued*

Deferred and contingent consideration on acquisition

Deferred and contingent consideration may arise on acquisitions. Deferred consideration arises when settlement of all or part of the cost of business combination falls due after the acquisition was completed. Contingent consideration arises where consideration is dependent on the future performance of the acquired company.

Deferred and contingent consideration associated with business combinations that is to be settled in cash is assessed in line with agreed contractual terms. Consideration payable is discounted for the time value of money and recognised as capital investment cost at fair value when the deferred or contingent consideration is not employment-linked. Alternatively, where amounts payable are contingent upon future employment, these amounts are recognised as a remuneration expense over the deferral or contingent performance period.

In circumstances where there is an option to settle in the form of cash or a variable number of shares, the Group recognises a financial liability for the fair value of the discounted consideration. Where consideration is settled in a fixed number of shares, the consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity.

Subsequent to the acquisition date, amounts relating to deferred consideration are measured at amortised cost. Contingent consideration amounts are recognised at fair value through the consolidated statement of comprehensive income.

At each balance sheet date, the fair value of contingent consideration is measured using level 3 inputs in accordance with the fair value hierarchy and as such these calculations contain estimation uncertainty, as they relate to future performance. The key inputs associated with the valuation of these liabilities include the potential future cash flows of each acquired business, the likelihood of an earn-out payment being made and estimating an appropriate discount rate to apply to these future cash flows. Changes to these assumptions that support the fair value are recognised within administration expenses as an adjusting item. For further detail see notes 13 and note 23.

Changes in the carrying value of deferred and contingent consideration liabilities associated with the passage of time are recognised as a finance cost.

Consideration payments, including all deferred and contingent consideration paid in the year, are reported within investing activities in the consolidated statement of cash flows, except for employment-linked payments, which are reported within operating activities.

Other intangible assets

Intangible assets acquired in a business combination are initially recognised at their fair value at the acquisition date (which is regarded as their cost). After initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any impairment losses.

Intangible assets acquired as part of a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset under IAS 38. Such assets are only recognised if either:

— they are capable of being separated or divided from the Group and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Group intends to do so; or

— they arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The cost of such intangible assets is their fair value at the acquisition date. All intangible assets acquired through business combination are amortised over their estimated useful lives. The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of the intangibles acquired in business combinations are as follows. These useful lives are re-assessed at each reporting date:

Intangible asset	Useful life	Valuation method
Customer relationships	4–12 years	Multi-period excess earnings method
Intellectual property	7 years	Relief from royalty method
Trade name	4–15 years	Relief from royalty method
Order backlog	1–2 years	Multi-period excess earnings method

Internally developed intangible assets

Capitalised development costs represent the costs incurred in the development of internally generated software, primarily within the Aiviq business.

A useful economic life of three years has been deemed appropriate based on the expected project lifecycle in development of new software. The amortisation charge is recognised in administration expenses within the consolidated statement of comprehensive income.

Foreign exchange

Transactions in foreign currencies are translated to the relevant entity's functional currency at the average foreign exchange rate in the month of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the average exchange rate in the month of the transaction and are not retranslated. Foreign exchange differences arising on translation to functional currency are recognised in administration expenses.

The revenues and expenses of foreign operations are translated to the Group's functional currency at the average foreign exchange rate in the month of the date of the transactions. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, pound sterling, at foreign exchange rates ruling at the balance sheet date. Foreign exchange differences arising on retranslation of assets and liabilities relating to foreign operations are recognised in other comprehensive income. Exchange differences on translation of foreign operations may be reclassified subsequently to profit or loss when specific conditions are met.

Financial instruments

The Group uses financial instruments comprising cash and cash equivalents, borrowings, and other short-term instruments, such as trade payables that arise from its operations. The main purpose of these financial instruments is to fund the Group's business strategy and working capital requirements.

Accounting policies in respect of financial instruments are outlined below.

Financial assets

Financial assets are initially measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs. The Group has not reclassified any financial assets subsequent to initial recognition as at the balance sheet date. Reclassification of classes of financial assets is accounted for prospectively in accordance with IFRS 9, where this is required. Any difference on reclassification from amortised cost to fair value through profit or loss is recognised in the statement of comprehensive income at the reclassification date.

The Group recognises an expected credit loss provision in relation to financial assets. The simplified method is applied to the Group's trade receivables as described below. The Group's expected credit loss provision on all other financial assets is immaterial as the probability of default is low. Movements in the expected credit loss provision are recognised in profit or loss. Refer to note 15 for further details.

Refer to note 23 for the disclosure of financial assets measured at amortised cost.

Trade and other receivables

Trade and other receivables are recognised initially at fair value, equal to the transaction price, and subsequently measured at amortised cost less provision for impairment. The trade receivables balances recorded in the Group's statement of financial position are held until realised in cash.

The Group provides services to customers on credit terms with mainly arrears billing. Certain receivables may not be paid. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit losses, trade receivables have been grouped based on shared credit characteristics and the days past due. The Group considers historical loss rates for each ageing category as a starting point for estimating the expected credit loss. This historical loss rate is subsequently adjusted for macro-economic and customer-specific factors of receivables within each ageing category. Characteristics considered by the Group for these purposes include: historical collection experience for each customer; the assessed liquidity of key customers within the receivables balance; and other relevant macro-economic factors in order to determine a reasonable and supportable assessment of the expected lifetime credit risk in the context of the overall year-end trade receivables due.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances that are recorded and subsequently measured at amortised cost in line with IFRS 9. Bank overdrafts that are repayable on demand and are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Financial liabilities

Derivatives

The Group may use derivative financial instruments to manage its exposure to foreign exchange and other risks. The Group does not use derivative financial instruments for speculative purposes. Derivatives are recorded at their fair value in the consolidated statement of financial position. Gains and losses on these instruments are recognised immediately in the consolidated statement of comprehensive income. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The Group has not formally designated any derivative financial instruments to qualify for hedge accounting. See note 23 for further details.

Trade and other payables

Trade and other payables are initially recognised at fair value, equal to the transaction price, and are subsequently measured at amortised cost. Trade payables due within one year are not discounted.

Refer to note 23 for the disclosure of financial liabilities measured at amortised cost and fair value.

Provisions

Provisions are distinct from other liabilities as there is uncertainty over the timing or amount of the cash outflow required to settle the liability. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation. The Group applies a "most likely outcome" approach in valuing these obligations, as this is most appropriate for the type of provisions which the Group holds. These are discounted to present value using an appropriate pre-tax discount rate, where the time value of money is material. Refer to note 18 for detail of classes of provisions and further detail on material assumptions.

External borrowings

All loans and borrowings are initially recognised at fair value, equal to the value of amounts received. Borrowings are subsequently stated at amortised cost; any difference between the proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Impairment of non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value, less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates independent cash inflows (the CGU); that is, cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

Notes to the consolidated financial statements continued

1. Summary of significant accounting policies *continued*

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

An impairment loss relating to non-financial assets, excluding goodwill, is reversed if and only if, the reasons for the impairment have ceased to apply.

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

Right-of-use assets are accounted for in line with the "Leases" section below.

Current and deferred tax

Current and deferred tax is recognised in the consolidated statement of comprehensive income, except in relation to share-based payments where the amount of the tax deduction exceeds the amount of the related cumulative share-based payment charge, in which case it is recognised in equity.

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

Deferred tax is provided using the balance sheet liability approach, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and 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 assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Leases

The Group leases office premises in various jurisdictions. Leases are negotiated on an individual basis, and for a variety of terms over which rentals are fixed. Leases may contain a break clause or options to extend for a further period at the then prevailing market rate. Rental agreements to which IFRS 16 has been applied span anywhere between 12 months and 10 years. Contracts may contain both lease and non-lease components. Non-lease components are separately identifiable and are excluded from the recognition of the lease under IFRS 16.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Measurement of lease liabilities

On initial recognition of a new lease, the lease liability is recognised as the present value of future payments, discounted using the incremental borrowing rate ("IBR"), unless the interest rate implicit to the lease is available for use.

Lease payments to be made subsequent to optional termination options have been included within the lease liability measurement, where it is reasonably certain that such options will be exercised.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be easily determined, the IBR is applied, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In determining the IBR, the Group has made adjustments for relevant factors such as lease term, lease value, country and asset-specific considerations.

The Group accounts for lease payments by allocating them to a finance cost element and against the lease liability. The finance cost is charged to the statement of comprehensive income over the lease period.

When the Group revises its estimate of the term of any lease (for example, if a significant change in circumstances within the Group's control indicates a reassessment is appropriate), the Group adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. In such cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in the statement of comprehensive income.

The Group has no material exposure to variable lease payments that qualify for accounting treatment under IFRS 16.

Measurement of right-of-use assets

The right-of-use asset for lease agreements entered into after transition date is measured on initial recognition as the amount equal to the lease liability, less any lease incentives, plus any initial direct costs. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group has used the practical expedients permitted by IFRS 16 in relation to accounting for leases with a lease term of less than 12 months as "short-term leases", and those with a low value as "low-value leases". Consequently, no lease liability or right-of-use asset is calculated thereon. These leases are expensed in the statement of comprehensive income. The Group also applies the practical expedient to combine leases with similar characteristics to a portfolio of leases for the purpose of applying the requirements of IFRS 16.

See note 7 for further details on the Group's leasing arrangements.

Revenue recognition

Recognition of revenue and client billing

Revenue consists of the value of work executed for clients during the year and expenses recharged, exclusive of VAT. Revenue is classified into net fee income and recharged expenses. Net fee income represents the Group's personnel, subcontractor and related expertise and services sold to clients. Recharged expenses is the recharge of costs incidental to fulfilling contracts including flights, subsistence and accommodation on which nil or negligible margin is earned by the Group.

The Group delivers services that have no alternative use to Alpha (advice to clients, reports, etc.) as the services are specifically tailored to clients' projects and scope of work. The significant majority of the Group's revenue is contracted on a time and materials basis, where the performance obligation is to provide consultancy resources at agreed day rates. For such contracts, revenue is recognised over time, as consultant days worked are delivered. Modifications or extensions to such projects are recognised as services are delivered. Significant extensions, where the scope or price of the contract increases, are treated as separate contracts. Contracts accounted for on a time and materials basis are billed incrementally, typically monthly, for incurred time and materials.

Revenue recognition for fixed-fee projects is based on the satisfaction of performance obligations in line with contractual project milestones, depending on the nature of the performance obligations for the project. Material scope changes are managed via a new agreement with the client. Fixed-fee projects are typically billed in accordance with the nature of the performance obligations when a right to payment crystallises.

For most fixed-fee milestone projects, revenue is recognised at a point in time upon delivery of each performance obligation and these projects are typically billed as contractual milestones are delivered and the right to payment exists. Contractual milestones are only treated as separate performance obligations by the Group when they are distinct from the other elements in the contract and could provide a benefit to the customer without further work being completed. In limited circumstances, revenue from fixed fee milestone projects is recognised over time where the Group has an enforceable right to payment for performance completed to date, before the contractual milestone has been fully delivered.

Revenue relating to right-to-access software licensing fees is recognised over time, as the benefits of the software are consumed by the customer over the licence period. Associated implementation and other services are recognised in line with the underlying performance obligation, either over the contractual licence period where the associated service is not distinct from the licence, or in line with the work performed where the service provided is deemed distinct from the underlying licence. This assessment is made at a contractual level based on the level of interdependency between the promises in each related contract.

Revenue is wholly attributable to the principal activities of the Group. For all revenue types, payment is typically due between 30 and 60 days after the invoice date or receipt of invoice, depending on the client and geography.

Recognition of contract receivables

Activity performance recognised as revenue in excess of invoices raised are contract receivables and are included within accrued income, up to the value of the relevant project delivery milestone, where applicable. On invoicing, the contract receivable is reclassified to trade receivables.

Recognition of contract liabilities

Where amounts have been invoiced in excess of work performed and revenue recognised, the excess is a contract liability and is included within deferred income, valued in line with the nature of the project and related performance obligations as described above and recognised in future periods.

Cost of sales

Cost of sales is defined by management as the direct costs associated with the generation of the Group's revenue, including staff payroll and contractor costs that are directly attributable to the delivery of services and supporting growth.

Rechargeable expenses, including travel and subsistence directly recharged to the Group's clients as part of revenue generation, are presented within the "rechargeable expenses" line within the Group's statement of comprehensive income.

Capitalised contract fulfilment costs

Costs directly attributable to the fulfilment of unsatisfied or partially unsatisfied performance obligations on customer contracts are recognised as an asset where these costs generate or enhance resources of the Group and the costs are expected to be recovered. These costs principally relate to partially completed milestones on fixed-fee contracts and non-distinct software implementation costs incurred in advance of the commencement of the client's licence period on Aiviq contracts. These costs are recognised in the consolidated income statement at the point of revenue recognition for fixed-fee milestone projects, or are amortised to the consolidated income statement over the licence period for non-distinct software implementation costs.

Administration expenses

Administration expenses are defined by management as costs incurred by the Group that are not directly associated with the generation of revenue. This includes items such as head office staff costs, recruitment and professional fees and IT services, which are expensed as incurred. Administration expenses exclude finance income and expenses and taxation, which are presented separately in the income statement.

Segmental reporting

An operating segment is a component of the Group:

(i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Group);

(ii) whose operating results are regularly reviewed by the Board of Directors in order to make decisions about resources to be allocated to that component and assess its performance; and

(iii) for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, as required by IFRS 8 Operating Segments. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors.

Notes to the consolidated financial statements continued

1. Summary of significant accounting policies *continued*

The accounting policies of the reportable segments are consistent with the accounting policies of the Group as a whole. Segment profit represents the gross profit earned by each segment without allocation of administration expenses, interest payable and tax. This is the measure of profit that is reported to the Board of Directors for the purpose of resource allocation and the assessment of segment performance.

The Board regularly reviews consolidated operating results to make decisions about the financial and organisational resources of the Group and to assess overall performance.

Employee benefits

Defined contribution pension plan

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have a legal or constructive obligation to pay further amounts. Contributions to defined contribution schemes are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments in the consolidated statement of financial position.

Share-based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of shares or share options, is recognised as an employee benefit expense in the consolidated statement of comprehensive income.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market-based vesting conditions) at the date of grant.

In determining the fair value of share-based payments under IFRS 2, management has considered a number of internal and external factors in order to judge the probability that management and employee share incentives may vest. Such judgements involve estimating future performance and other non-market-based factors.

At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non-market-based vesting conditions to reflect the conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the statement of comprehensive income, with a corresponding adjustment to equity. Fair value is measured by the use of a binomial model. The assumptions have been adjusted, based on management's best estimate, for the effects of non-transferability, lack of dividend until vesting and exercise restrictions.

The fair value calculations in both the current and prior years have been externally assessed and deemed reasonable in the circumstances.

After vesting, the Group satisfies share option exercises either through the issuance of new ordinary shares, or through the transfer of existing shares held in the Company's EBT to the employee. Any share options not exercised upon vesting remain outstanding until the end of the contracted exercise period.

An associated employers' social security tax liability on these share options is accrued through the vesting period to align with the payment due upon exercise. The value of this liability at the balance sheet date is assessed by reference to the estimated future share price on exercise, where applicable.

Other benefits

The Group operates a profit share bonus and other bonus schemes that aim to pay employees a percentage of an individual's salary, subject to country or regional-level corporate performance in the period. The profit share is accrued at each reporting date, based on management's best estimates of the staff bonuses to be paid considering the overall financial performance and is recognised as an employee benefit expense in the consolidated statement of comprehensive income. The profit share and bonus accrual is not considered to be a significant estimate due to the proximity and certainty of the payment at the reporting date.

Short-term employee benefits, including holiday pay and medical care, are accrued as services are rendered.

Earnings per share

The Group presents basic and diluted earnings per share ("EPS"), on both a statutory and adjusted basis. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The Group applies the "treasury share method" in calculating the weighted average number of dilutive ordinary shares used in the calculation of diluted EPS, under which only the bonus element of potentially dilutive shares is reflected in the denominator. Bonus shares represent the number of shares that could be issued to satisfy share option awards granted to employees under the Group's management incentive plan ("MIP") and employee incentive plan ("EIP"), net of shares covered by the assumed proceeds to be received for these awards in the future. For further detail on these plans, please see note 22.

These share options are only included in the calculation of dilutive shares where the performance conditions, excluding employment conditions, are deemed to be satisfied at the balance sheet date. The inclusion of such potentially dilutive shares is weighted based on the period in which the share options were outstanding in the year. Potentially dilutive shares are only treated as dilutive when their conversion to ordinary shares would decrease EPS (or increase loss per share).

For the purpose of calculating adjusted EPS the same adjustments as set out in note 4 are made to the Group's profit for the financial year.

Alternative performance measures

In order to provide further information on the underlying performance of the Group, the Group uses alternative performance measures ("APMs"). The measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures. These non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance, but have been included as the Directors consider them to be helpful measures used within the business for assessing the underlying performance of the Group across periods. The disclosure of these measures within the financial statements is designed to provide the user with additional relevant information, and to supplement those measures disclosed under IFRS. The Group performs a reconciliation for each APM, which includes disclosure of the most directly reconcilable line item, subtotal or total presented under IFRS within the financial statements. For further details please refer to note 4.

Dividends

Dividends proposed by the Board are recognised in the financial statements when they have been approved by shareholders at the AGM. Interim dividends are recognised when they are paid.

Audit exemptions for UK subsidiaries

Certain UK-registered subsidiaries have taken advantage of the parent company guarantee exemption to prepare unaudited accounts in accordance with s479A of the Companies Act 2006. The name and registered number of each subsidiary taking advantage of the audit exemption are shown below:

Company	Registered number
Aiviq Limited	11480862
Axxsys Limited	04967647
Obsidian Solutions Limited	09737564
Alpha Financial Markets Consulting MENA Limited	14638009

A full list of subsidiary undertakings is disclosed in note 2 of the Company financial statements on pp 149-150.

New accounting standards and interpretations

The following changes in accounting policies were applied by the Group in these consolidated financial statements for the year ended 31 March 2024. These included the adoption of new standards and interpretations described below.

The International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC") have issued the following standards, amendments and interpretations, which are now effective:

- IFRS 17 Insurance Contracts, effective from 1 January 2023.
- Amendments to IFRS 17, effective from 1 January 2023.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), effective from 1 January 2023.
- Definition of Accounting Estimates (Amendments to IAS 8), effective from 1 January 2023.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), effective from 1 January 2023.
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) – Application of the exception and disclosure of that fact, effective from 23 May 2023.
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) – other disclosure requirements, effective from 1 January 2023.
- International Tax Reform – Pillar Two Model Rules (Amendments to the 'IFRS for SMEs' Standard), effective from 29 September 2023 (not yet endorsed by the UK).

The Directors reviewed the nature and effect of these new standards on the Group and noted no material impact on the financial statements for the year ended 31 March 2024.

The following other standards, interpretations and amendments to existing standards have been issued but were not mandatory for accounting periods beginning on 1 April 2023 and are not expected to have a material impact on the Group:

- IFRS 18 Presentation and Disclosures in financial statements, effective from 1 January 2027 (not yet endorsed by the UK).
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), effective from 1 January 2024.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16), effective from 1 January 2024.
- Non-current Liabilities with Covenants (Amendments to IAS 1), effective from 1 January 2024.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7), effective from 1 January 2024.
- IFRS 19 Subsidiaries without Public Accountability, effective from 1 January 2027 (not yet endorsed by the UK).
- Lack of Exchangeability (Amendments to IAS 21), effective from 1 January 2025 (not yet endorsed by the UK).

Notes to the consolidated financial statements continued

2. Segmental information

Group management has determined the operating segments by considering the segment information that is reported internally to the chief operating decision maker, the Board of Directors. For management purposes, the Group is currently organised into three geographical operating divisions: UK, North America and Europe & APAC, which allows the Board to evaluate the nature and financial effects of the business activities of the Group and the economic environments in which it operates.

The Group's operations all consist of one type: specialist consultancy and related services to the financial services industry. Revenues associated with software licensing arrangements were not significant in both the current and prior years. Therefore, the Directors consider that disaggregating revenue by operating segments is most relevant to depict how the nature, amount, timing and uncertainty of revenue and cash flows may be affected by economic factors.

FY 24	UK £'000	North America[38] £'000	Europe & APAC[39] £'000	Total £'000
Revenue	**91,547**	**91,359**	**52,565**	**235,471**
Rechargeable expenses	(353)	(813)	(680)	(1,846)
Net fee income	**91,194**	**90,546**	**51,885**	**233,625**
Cost of sales	(58,190)	(62,219)	(34,919)	(155,328)
Gross profit	**33,004**	**28,327**	**16,966**	**78,297**
Margin on net fee income[37] (%)	*36.2%*	*31.3%*	*32.7%*	*33.5%*
Non-current assets	**65,175**	**44,632**	**26,467**	**136,274**

FY 23	UK £'000	North America[38] £'000	Europe & APAC[39] £'000	Total £'000
Revenue	**87,467**	**91,815**	**49,435**	**228,717**
Rechargeable expenses	(327)	(717)	(518)	(1,562)
Net fee income	**87,140**	**91,098**	**48,917**	**227,155**
Cost of sales	(52,117)	(61,104)	(33,575)	(146,796)
Gross profit	**35,023**	**29,994**	**15,342**	**80,359**
Margin on net fee income[37] (%)	*40.2%*	*32.9%*	*31.4%*	*35.4%*
Non-current assets	**69,445**	**46,721**	**23,360**	**139,526**

During the year, the Group did not have any customers that comprised more than 10% of the Group's revenues (FY 23: nil).

3. Operating profit

	Note	FY 24 £'000	FY 23 £'000
Operating profit for the year is stated after charging:			
Amortisation of intangible assets	12	4,325	4,762
Depreciation charge	7,14	2,769	1,933
Foreign exchange losses		331	459
Short-term lease expense	7	723	1,096
Impairment provision recognised on trade receivables	15	28	109
Defined contribution pension scheme costs	5	4,519	2,791
Share-based payment charge	22	7,337	7,950
Earn-out and deferred consideration[40]	13	1,122	2,525
Acquisition and integration costs		292	331
Restructuring costs		945	–

	FY 24 £'000	FY 23 £'000
Auditor's remuneration:		
Audit fees – parent company	155	123
Audit fees – subsidiary companies	465	370
Other assurance services	–	–

All Group auditor remuneration relates to audit fees. There were no additional advisory services provided by the auditor to the Group in both the current and prior years.

37 Margin on net fee income is gross profit expressed as a percentage of net fee income. Please refer to note 4 for further detail on the Group's APMs.
38 Within North America, the United States generated revenue of £78.0m (FY 23: £77.1m) and Canada generated revenue of £13.4m (FY 23: £14.7m).
39 Within Europe & APAC, France is a material country and generated revenue of £20.1m (FY 23: £18.7m).
40 The earn-out and deferred consideration expense in the year comprises an employment-linked consideration charge of £1.1m and an associated social security charge of £0.1m, offset by a fair value adjustment of £0.1m. See note 13 for further details.

4. Reconciliations to alternative performance measures

Alpha uses alternative performance measures ("APMs") that are not defined under the requirements of IFRS. The APMs, including net fee income, margin on net fee income, adjusted EBITDA, adjusted profit before tax, adjusted EPS, adjusted cash generated from operations, adjusted cash conversion, organic net fee income growth and constant currency growth, are provided to allow stakeholders a further understanding of the underlying trading performance of the Group and aid comparability between accounting periods. These measures have been presented consistently across reporting periods. They are not considered a substitute for, or superior to, IFRS measures, and may not be comparable across other companies. The exclusion of adjusting items in the Group's APMs may result in adjusted profitability being materially higher when compared with the nearest equivalent statutory measures.

Net fee income

The Group disaggregates revenue into net fee income and expenses recharged to clients. Net fee income provides insight into the Group's productive output and is used by the Board to set budgets and measure performance. This APM is reconciled to revenue on the face of the consolidated statement of comprehensive income and by segment in note 2.

Profit margins

Margin on net fee income and adjusted EBITDA margin are calculated using gross profit and adjusted EBITDA, expressed as a percentage of net fee income. These represent the margin that the Group earns on its productive output, excluding nil or negligible margin expense recharge to clients over which the Group has limited control, and allows comparability of business output between periods. Such adjusted margins are used by senior management and the Board to assess the performance of the Group.

Reconciliation of adjusted profit before tax, adjusted operating profit and adjusted EBITDA

	Note	FY 24 £'000	FY 23 £'000
Profit before tax		**22,570**	**25,771**
Amortisation of acquired intangible assets	12	4,325	4,576
Profit on disposal of fixed assets		(44)	(14)
Share-based payment charge	22	7,337	7,950
Earn-out and deferred consideration[41]	13	1,122	2,525
Acquisition and integration costs		292	331
Restructuring costs		945	–
Foreign exchange losses		331	459
Adjusting items		14,308	15,827
Non-underlying finance expenses	13	1,621	2,417
Adjusted profit before tax		**38,499**	**44,015**
Net underlying finance expenses	6	887	448
Adjusted operating profit		**39,386**	**44,463**
Depreciation charge	7,14	2,769	1,933
Amortisation of capitalised development costs	12	–	186
Adjusted EBITDA		**42,155**	**46,582**
Adjusted EBITDA margin (%)		*18.0%*	*20.5%*

Adjusting items

To assist in understanding the underlying performance of the Group and aid comparability between periods, management applies judgement to exclude certain expense items from the Group's APMs, which are deemed to warrant separate disclosure due to either their nature or size. Such adjusting items as described below are generally non-cash, non-recurring by nature or are acquisition related.

Amortisation of acquired intangible assets and profit or loss on disposal of fixed assets are treated as adjusting items to better reflect the underlying performance of the business, as they are non-cash items, principally relating to acquisitions.

The Group's share-based payment charge and related social security taxes are excluded from adjusted profit measures. This allows for better comparability between periods given the complexity of the assumptions underlying the calculation and the multi-year effect of mid-cycle changes to certain assumptions being adjusted for on a cumulative basis, sometimes resulting in material fluctuations in the charge between periods that are not reflective of the underlying operational performance of the business. The charge and related social security taxes are also subject to external factors, such as the Group's share price, over which the Directors have less day-to-day influence compared to other more directly controllable factors. This approach has been applied consistently across reporting periods. Note 22 sets out further details of the employee share-based payment charge calculation under IFRS 2.

The Group will continue to assess the status of this charge as an adjusting item in the Group's financial statements, considering the development of the charge, the Group and its remuneration policies. If no adjustment was made for the share-based payment charge, adjusted EBITDA for the period would be £34.8m (FY 23: £38.6m) and adjusted EBITDA margin would be 14.9% (FY 23: 17.0%).

41 The earn-out and deferred consideration expense in the year comprises an employment-linked consideration charge of £1.1m, an associated social security charge of £0.1m, offset by a £0.1m fair value adjustment. Refer to note 13 for further details.

Notes to the consolidated financial statements *continued*

4. Reconciliations to alternative performance measures *continued*

As per note 13, the acquisitions of Shoreline in the year, and Lionpoint in FY 22, involved both deferred and contingent payments. Some of these acquisition payments are dependent on the ongoing employment of certain members of the respective senior management teams, and this element is expensed annually over several years until the date of payment. These costs have been treated as adjusting items as they are acquisition related, reflecting the acquisition terms rather than the Group's trading performance. Additionally, where there is a change to the expected future payments or discount rates, a fair value adjustment to the liability is recorded in the income statement. Whilst these acquisition-related costs will recur in the short term through the earn-out periods, the adjustment allows comparability of underlying productive output and operating performance of the Group across reporting periods.

Other acquisition and integration costs expensed in the year relate to the acquisition of Shoreline, including due diligence, legal fees and integration costs. Whilst further similar acquisition and integration costs could be incurred in the future, these costs are not directly attributable to the ongoing operational trading performance of the Group. The timing and amount of such costs may vary and treating these as an adjusting item allows comparability of the operating performance across reporting periods.

Restructuring costs in FY 24 relate to a specific UK-focused redundancy programme, which aims to support returning the business to more normal levels of utilisation and profitability, given the more competitive market environment. These costs are non-recurring and, therefore have been treated as an adjusting item to allow comparability of the underlying performance of the Group.

The impact of foreign currency volatility in translating local working capital and cash balances to their relevant functional currencies has been excluded from the calculation of adjusted profit measures on the basis that such exchange rate movements do not reflect the underlying trends or operational performance of the Group. The foreign exchange movements were immaterial in both the current and prior years.

Non-underlying finance expenses

In calculating adjusted profit before tax, unwinding of the discounted contingent and deferred acquisition consideration within finance expenses is considered non-underlying as these amounts relate to acquisition consideration, rather than the Group's underlying trading performance.

Adjusted profit before tax

Adjusted profit before tax is an APM calculated as profit before tax stated before adjusting items, including amortisation of acquired intangible assets, share-based payment charge, acquisition-related payments and costs, non-underlying finance expenses and other non-underlying expenses. This measure allows comparability of the Group's underlying performance, reflecting depreciation, amortisation of capitalised development costs and underlying finance expenses.

Adjusted operating profit

Adjusted operating profit is an APM defined by the Group as adjusted profit before tax before charging underlying finance expenses, including fees on bank loans and interest on lease liabilities. The Directors consider this metric alongside statutory operating profit to allow further understanding and comparability of the underlying operating performance of the Group between periods. This measure has been consistently used as the basis for adjusted cash conversion.

Adjusted EBITDA

Adjusted EBITDA is a commonly used operating measure, which is defined by the Group as adjusted operating profit stated before non-cash items, including amortisation of capitalised development costs and the depreciation charge. Adjusted EBITDA is a measure that is used by management and the Board to assess underlying trading performance across the Group, and forms the basis of the performance measures for aspects of remuneration, including consultant profit share and bonuses.

Adjusted profit after tax

Adjusted profit after tax is similarly used to allow a further understanding of the underlying performance of the Group. Adjusted profit after tax is stated before adjusting items and their associated tax effects. The associated tax effects are calculated by applying the relevant effective tax rate to the adjusting items. A nil effective tax rate has been applied to earn-out and deferred consideration, acquisition costs and non-underlying finance expenses totalling £3.0m as these items are treated as capital in nature and are therefore non-deductible for tax purposes. An overall effective tax rate of 26.0% has been applied to all other adjusting items totalling £12.9m, reflecting the tax rates in the geographical locations to which the items relate.

	FY 24 £'000	FY 23 £'000
Adjusted profit before tax	**38,499**	**44,015**
Tax charge	(6,723)	(7,810)
Tax impact of adjusting items	(3,289)	(2,976)
Adjusted profit after tax	**28,487**	**33,229**

Adjusted earnings per share

Adjusted earnings per share ("EPS") is calculated by dividing the adjusted profit after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Adjusted diluted EPS is calculated by dividing adjusted profit after tax by number of shares as above, adjusted for the impact of potentially dilutive ordinary shares. Potentially dilutive ordinary shares are only treated as dilutive when their conversion to ordinary shares would decrease EPS (or increase loss per share). Refer to note 11 for further detail.

	FY 24	FY 23
Adjusted EPS (p)	24.90	29.27
Adjusted diluted EPS (p)	23.34	27.37

Reconciliation of adjusted administration expenses

To express them on the same basis as the APMs described above, adjusted administration expenses are stated before adjusting items, depreciation and amortisation of capitalised development costs and are used by the Board to monitor the underlying administration expenses of the business in calculating adjusted EBITDA.

	Note	FY 24 £'000	FY 23 £'000
Administration expenses		**53,219**	**51,723**
Adjusting items		(14,308)	(15,827)
Depreciation charge	7,14	(2,769)	(1,933)
Amortisation of capitalised development costs	12	–	(186)
Adjusted administration expenses		**36,142**	**33,777**

Adjusted cash generated from operations

Adjusted cash generated from operations excludes the operating cash flow impact of adjusting items, such as employment-linked acquisition payments and associated social security taxes, other acquisition and integration costs paid in the period, and restructuring costs. This is to reflect the Group's underlying operating cash flows on a consistent basis with adjusted profit measures.

	FY 24 £'000	FY 23[42] £'000
Cash generated from operations	**20,408**	**43,875**
Employment-linked acquisition payments[43]	1,923	1,981
Acquisition and integration costs	292	331
Restructuring costs	945	–
Adjusted cash generated from operations	**23,568**	**46,187**

Adjusted cash conversion

Cash conversion is stated as cash generated from operations expressed as a percentage of operating profit.

Adjusted cash conversion is stated as adjusted cash generated from operations expressed as a percentage of adjusted operating profit.

	FY 24	FY 23[44]
Cash conversion	81%	153%
Adjusted cash conversion	60%	104%

Organic net fee income growth

Organic net fee income growth excludes net fee income from acquisitions in the 12 months following acquisition. Net fee income from any acquisition made in the period is excluded from organic growth. For acquisitions made part way through the comparative period, the current period's net fee income contribution is reduced to include only net fee income for the period following the acquisition anniversary, in order to compare organic growth on a like-for-like basis.

Organic net fee income growth of 1.8% (FY 23: 39.6%) for the current period represents FY 24 net fee income less £2.3m of net fee income attributable to Shoreline, treated as inorganic.

42 The Group has refined the definition of adjusted cash generated from operations to exclude tax paid in the year. This allows for greater consistency as adjusted operating profit, used as the denominator in the calculation for adjusted cash conversion, is before tax. Additionally, this approach is in line with comparable companies and allows ease of comparison against these companies. The FY 23 comparative has been restated on this new basis to allow for comparability between years.

43 Employment-linked acquisition payments of £1.9m comprises £1.8m of acquisition consideration classified as employment-linked and £0.1m of associated social security payments.

44 FY 23 cash conversion and adjusted cash conversion have been restated to exclude tax paid in the year, reflecting the Group's refined definition of adjusted cash generated from operations, as explained above.

Financial Statements

Notes to the consolidated financial statements *continued*

4. Reconciliations to alternative performance measures *continued*

Constant currency growth

The Group operates in multiple jurisdictions and generates revenues and profits in various currencies. Results are translated on consolidation at the average foreign exchange rates prevailing in that period. These exchange rates vary from year to year, so the Group presents some of its results on a "constant currency" basis. This means that the current year's results have been retranslated using the average exchange rates from the prior year to allow for comparison of year-on-year results, eliminating the effects of changes in exchange rates.

Currency translation had an impact on both net fee income and gross profit in the year, primarily in North America, as a result of a strengthening British pound sterling through the year. In the year, British pound sterling averaged USD 1.26 (FY 23: USD 1.21), and CAD 1.69 (FY 23: CAD 1.59), whilst it was flat against the euro at an average of €1.16 (FY 23: €1.16).

On a constant currency basis, Group net fee income would be £238.0m, which is growth of 4.8% overall. Similarly, North America net fee income would be £94.5m and Europe & APAC would be £52.3m which would be growth of 3.8% and 6.9% respectively.

On a similar basis the Group's gross profit would have been £79.6m representing a 0.9% decrease, as opposed to a 2.6% decrease on a reported basis.

5. Staff costs

The average number of employees employed by the Group, where "employees" includes Executive Directors but excludes contractors, was:

	FY 24 Number	FY 23 Number
UK	377	320
North America	321	272
Europe & APAC	241	210
Administration	122	107
Average number of employees in the year	**1,061**	**909**

Total staff costs included in the consolidated statement of comprehensive income were:

	FY 24 £'000	FY 23 £'000
Wages, salaries and short-term benefits	129,935	119,432
Social security costs	12,241	11,144
Pension costs	4,519	2,791
Share-based payment charge	7,337	7,950
Total staff costs for the year	**154,032**	**141,317**

Staff costs in relation to key management personnel, as defined in note 25, were:

	FY 24 £'000	FY 23 £'000
Wages, salaries and short-term benefits	3,025	3,468
Social security costs	414	504
Pension costs	83	105
Share-based payment charge	1,631	2,991
Total staff costs for key management personnel for the year	**5,153**	**7,068**

Directors' remuneration

Detailed disclosures in respect of Directors' remuneration are provided in the Remuneration Committee report on pp 84-94. Further disclosures are provided here to comply with the requirements of Schedule 5 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The total aggregate remuneration of the Directors of the Company for the year ended 31 March 2024 was £1,844,000 (FY 23: £2,966,000), including gains on the exercise of share options of £644,000 (FY 23: £1,648,000). On this same basis, the aggregate remuneration of the highest paid Director for the year ended 31 March 2024 was £1,210,000 (FY 23: £1,973,000).

The share option gains disclosed above differ from the gains of £1,154,000 (FY 23: £366,000) disclosed in the single-figure table provided in the Remuneration Committee report on p. 91 because they are calculated based on share options exercised in the year, whereas the amounts in the single-figure table are calculated based on share options vested in the year. Additionally, the FY 23 aggregate remuneration disclosed above also includes £1,973,000 relating to Euan Fraser, which is excluded from the single-figure table in the Remuneration Committee report as he stepped down from the Board on 31 March 2023. This aggregate amount for Euan Fraser comprises salary and bonus of £694,000, pension costs of £19,000 and gains on share options exercised of £1,260,000. All other components of remuneration are on a consistent basis with the amounts disclosed in the single-figure table in the Remuneration Committee report.

As at 31 March 2024, one Director (FY 23: one Director) was accruing benefits under a defined contribution pension scheme.

6. Finance income and expenses

	Note	FY 24 £'000	FY 23 £'000
Bank interest receivable		346	364
Total finance income		**346**	**364**
Interest and fees payable on bank loans		(925)	(596)
Interest on lease liabilities	7	(308)	(216)
Total underlying finance expenses		**(1,233)**	**(812)**
Non-underlying finance expenses	13	(1,621)	(2,417)
Total finance expenses		**(2,854)**	**(3,229)**
Net underlying finance expenses		**(887)**	**(448)**
Net finance expenses		**(2,508)**	**(2,865)**

The Group holds one principal bank facility comprising a £50.0m committed RCF with Lloyds and HSBC with a tenor to June 2026. This facility is subject to two independent financial covenants relating to interest cover and net debt ratios, which were complied with through the year.

The Group has utilised up to a maximum of £17.8m of the facility, drawn down occasionally through the year to meet short-term currency requirements. The facility was undrawn as at 31 March 2024, and the Group remains in a strong net cash position of £29.4m. An RCF drawdown and corresponding repayment of £10.2m is reported in the consolidated statement of cash flows as certain amounts have been presented on a net basis where amounts have been drawn down and repaid within three months.

7. Leases

Right-of-use assets

	Buildings £'000	Equipment under lease £'000	Total £'000
Net book value			
As at 1 April 2022	2,301	3	2,304
Additions	2,671	–	2,671
Effect of modifications to lease terms	209	–	209
Depreciation charge	(1,386)	(3)	(1,389)
Foreign exchange adjustments	213	–	213
As at 31 March 2023	**4,008**	**–**	**4,008**
Additions	1,633	–	1,633
Effect of modifications to lease terms	(1,106)	–	(1,106)
Depreciation charge	(2,131)	–	(2,131)
Foreign exchange adjustments	(71)	–	(71)
As at 31 March 2024	**2,333**	**–**	**2,333**

Right-of-use asset additions of £1.6m relate to various new office leases across the UK and North America, following the expiry of certain leases during the year. These additions are partly offset by lease modifications of £1.1m, primarily relating to the early exit of an office lease in the UK.

Lease liabilities

A summary of the Group's undiscounted lease liabilities as at 31 March 2024 is presented below:

	FY 24 £'000	FY 23 £'000
Due within one year	1,570	2,158
Due between one and five years	1,266	2,391
Due after five years	–	60
Total lease liabilities – undiscounted	**2,836**	**4,609**
Impact of discounting	(276)	(448)
Total lease liabilities – discounted	**2,560**	**4,161**

Notes to the consolidated financial statements continued

7. Leases *continued*

Amounts recognised in the Group's consolidated statement of comprehensive income

	FY 24 £'000	FY 23 £'000
Depreciation of right-of-use asset	(2,131)	(1,389)
Short-term lease expense	(723)	(1,096)
Low-value lease expense	–	–
Variable service charges	(119)	(54)
Included in administration expenses	**(2,973)**	**(2,539)**
Interest expense on lease liabilities	(308)	(216)
Included in finance expenses	**(308)**	**(216)**

Total cash rental payments made in the year on all lease tenors amounted to £3.0m (FY 23: £2.6m), of which £2.3m (FY 23: £1.5m) related to lease liabilities and £0.7m (FY 23: £1.1m) related to short-term leases.

The Group has given consideration to any extension options and early termination options with reasonable certainty, and these have been reflected within the lease liabilities where appropriate.

The Group has no material income or expenses associated with sub-leasing arrangements, sale-and-leaseback transactions, or variable lease payments.

8. Taxation

	FY 24 £'000	FY 23 £'000
Current tax		
In respect of the current year – UK	3,130	3,660
Foreign taxation	5,495	8,059
Adjustment in respect of prior periods	(196)	(442)
Deferred tax		
In respect of the current year – UK	(1,344)	(1,995)
Foreign taxation	9	(1,380)
Change in tax rate on opening balance	–	8
Adjustment in respect of prior periods	(371)	(100)
Total tax expense for the year	**6,723**	**7,810**

The Finance Act 2022 increased the main rate of corporation tax in the UK to 25% from 1 April 2023. The UK deferred tax balances as disclosed in note 9 reflect this substantively enacted rate in the current and prior years.

In addition to the tax expense for the year ended 31 March 2024, the Group has also recognised a total charge of £0.8m (FY 23: £2.4m credit) of tax through equity, comprising a charge of £1.4m (FY 23: £0.9m credit) relating to deferred tax on share options outstanding, partly offset by a credit of £0.6m (FY 23: £1.5m) relating to current tax on the exercise of share options in the year. Additionally, a £0.1m credit (FY 23: £0.4m charge) was recognised through other comprehensive income, relating to the deferred tax impact of foreign exchange fluctuations on acquired intangible assets.

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	FY 24 £'000	FY 23 £'000
Profit before taxation	**22,570**	**25,771**
Tax on profit on ordinary activities at standard UK corporation tax rate of 25% (FY 23: 19%)	5,643	4,896
Effects of:		
Fixed asset differences	–	(24)
Income not taxable	(155)	–
Expenses not deductible for taxation	1,064	1,252
Differences due to overseas tax rates	375	2,202
Adjustments in respect of prior periods – current tax	(196)	(442)
Adjustments in respect of prior periods – deferred tax	(371)	(100)
Deferred tax not recognised	182	–
Change in deferred tax rate	79	26
Other	102	–
Total tax expense for the year	**6,723**	**7,810**

Expenses not deductible for taxation relate mainly to employment-linked acquisition consideration, associated discount unwinding and other acquisition-related costs, treated as capital for tax purposes.

9. Deferred tax

Movements in deferred tax

As at 31 March 2024

	1 April 2023 £'000	Acquired during the year £'000	Impact of foreign exchange revaluation £'000	Recognised in income £'000	Recognised in equity £'000	31 March 2024 £'000
Accelerated capital allowances	(128)	–	–	20	–	(108)
Short-term timing differences	2,018	–	(2)	(198)	–	1,818
Share options	5,298	–	–	868	(1,413)	4,753
Arising on business combinations	(6,938)	(378)	61	1,016	–	(6,239)
Net deferred tax asset	**250**	**(378)**	**59**	**1,706**	**(1,413)**	**224**

As at 31 March 2023

	1 April 2022 £'000	Acquired during the year £'000	Impact of foreign exchange revaluation £'000	Recognised in income £'000	Recognised in equity £'000	31 March 2023 £'000
Accelerated capital allowances	(110)	–	–	(18)	–	(128)
Short-term timing differences	690	–	(53)	1,381	–	2,018
Share options	3,213	–	–	1,215	870	5,298
Arising on business combinations	(7,453)	–	(374)	889	–	(6,938)
Net deferred tax (liability)/asset	**(3,660)**	**–**	**(427)**	**3,467**	**870**	**250**

Deferred tax assets recognised within these consolidated financial statements mainly represent the future tax effect of share-based payment charges in respect of awards that have yet to be exercised or released. Deductions in excess of the cumulative share-based payment charge recognised in the consolidated statement of comprehensive income are recognised in equity. Other deferred tax assets recognised relate to timing differences on deductions for tax purposes and as such there is no restriction on recoverability.

Deferred tax liabilities primarily represent temporary differences between the accounting and tax treatments of acquired intangible assets. As the intangible assets are amortised, the deferred tax liabilities decrease, with changes being recognised in the consolidated statement of comprehensive income. Any deferred tax liabilities recognised in respect of foreign currency intangible assets are re-translated at each balance sheet date, consistent with the treatment of the associated intangible assets.

Notes to the consolidated financial statements continued

9. Deferred tax *continued*

Deferred tax assets and liabilities are offset where there is a legally enforceable right to do so and when the deferred taxes relate to the same fiscal authority. The below table sets out the deferred tax asset and the net deferred tax liability, as presented in the consolidated statement of financial position:

	FY 24 £'000	FY 23 £'000
Deferred tax liabilities	(2,442)	(2,783)
Deferred tax assets	2,666	3,033
Net deferred tax asset	**224**	**250**

10. Dividends

Amounts recognised as distributions to equity holders:

	FY 24 £'000	FY 23 £'000
Final dividend for the year ended 31 March 2023 of 10.50p (FY 22: 7.50p) per share	12,010	8,547
Interim dividend for the year ended 31 March 2024 of 3.70p (FY 23: 3.70p) per share	4,236	4,227
Total dividends paid in the year	**16,246**	**12,774**

In view of the recommended cash offer to acquire Alpha by Bidco, a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint, the Board is not recommending a final dividend. If the acquisition does not complete, it is expected that the Board would declare a final dividend in respect of FY 24 at a later date.

11. Earnings per share and adjusted earnings per share

The Group presents basic and diluted earnings per share ("EPS"), on both a statutory and adjusted basis. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. In the calculation of diluted EPS the Group applies the treasury share method to include the impact of potentially dilutive shares arising from the Group's share option plans. For further detail on the Group's accounting policy see note 1.

In order to reconcile to the adjusted profit after tax, the same adjustments as set out in note 4 have been made to the Group's profit for the financial year. The profits and weighted average number of shares used in the calculations are set out below:

	Note	FY 24	FY 23
Basic and diluted EPS			
Profit for the financial year (£'000)		15,847	17,961
Weighted average number of ordinary shares in issue ('000)		114,398	113,531
Number of dilutive shares ('000)		7,658	7,883
Weighted average number of ordinary shares, including dilutive shares ('000)		122,056	121,414
Basic EPS (p)		**13.85**	**15.82**
Diluted EPS (p)		**12.98**	**14.79**
Adjusted EPS and adjusted diluted EPS			
Adjusted profit after tax (£'000)	4	28,487	33,229
Weighted average number of ordinary shares in issue ('000)		114,398	113,531
Number of dilutive shares ('000)		7,658	7,883
Weighted average number of ordinary shares, including dilutive shares ('000)		122,056	121,414
Adjusted EPS (p)		**24.90**	**29.27**
Adjusted diluted EPS (p)		**23.34**	**27.37**

12. Goodwill and intangible fixed assets

Goodwill

Movements in the year	Note	FY 24 £'000	FY 23 £'000
Cost at beginning of the year		103,676	100,991
Additions	13	2,711	–
(Losses)/gains from foreign exchange		(1,208)	2,685
Cost at end of the year		**105,179**	**103,676**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. In line with IAS 21 para 47, goodwill arising on the acquisition of a foreign operation is held in local currency and is retranslated into the Group's presentational currency at each reporting date using the closing foreign exchange rate.

Additions in the year of £2.7m to goodwill relate to the Group's acquisition of Shoreline Consulting Pty Ltd, Shoreline Consolidated Pty Ltd and their subsidiaries ("Shoreline"), a boutique consultancy that provides services to the asset and wealth management sector in APAC. This goodwill represents assets that do not qualify for separate recognition and includes the assembled workforce and the expected synergy benefits of combining the talents of the Shoreline team into the Group.

In prior years, goodwill was recognised upon the acquisitions of Alpha FMC Group Holdings Ltd in February 2016, TrackTwo GmbH in July 2017, Axxsys Ltd in June 2019, Obsidian Solutions Ltd in November 2019 and Lionpoint Holdings, Inc. in May 2021.

In line with IAS 36 para 96, the carrying value of goodwill is not subject to systematic amortisation but is reviewed at least annually for impairment. The review assesses each group of CGUs to which goodwill has been allocated for impairment by comparing the carrying value of the units, including the goodwill, with the recoverable amount of the units. The carrying values of goodwill have been assessed by reference to value in use. These have been estimated using cash flows from forecasts prepared by management around the balance sheet date.

The CGUs have been grouped in line with the Group's operating segments as this is the level at which goodwill is monitored by management. Therefore, the groups of CGUs considered for impairment testing are UK, North America and Europe & APAC.

Allocation of goodwill	FY 24 £'000	FY 23 £'000
UK	52,082	52,082
North America	31,961	32,626
Europe & APAC	21,136	18,968
At end of the year	**105,179**	**103,676**

Key assumptions – impairment testing

The principal assumptions considered to be individually significant for the purposes of calculating the value in use for each CGU include the assumed underlying trading used to estimate the future CGU cash flows, taking into account future CGU growth rates and margins, and the pre-tax discount rate used to convert these estimated cash flows to present value.

In all cases, the budget for the following financial year forms the basis for the cash-flow projections for a CGU. These near-term FY 25 budget assumptions were sensitised to account for the inherent uncertainty associated with forward-looking cash-flow projections.

The cash-flow projections for the four years subsequent to the budget year reflect the Directors' expectations of the medium-term operating performance of the CGU and the growth prospects in the CGU's market, reflecting a range of factors relevant to the specific circumstances of each CGU. Underlying revenue growth assumptions for the period FY 26 to FY 29 range from an average annual growth of 5.5% to 11.6% over the medium term and are assessed on a period-by-period basis reflecting market conditions. They include the relative size of each CGU and the maturity level of operations in the territory in the determination of the future estimated cash flows for value in use.

Thereafter, a perpetuity long-term growth rate is applied ranging between 1.0% and 1.9% depending on the CGU, based on longer-term economic outlooks of those economies and the Directors' longer-term assessment of the prospects of those businesses.

To discount these cash flows to present value, CGU specific pre-tax discount rates have been applied to reflect the market assessment of the time value of money and the specific risk profile of each CGU, including consideration of the relative size of each CGU, the maturity level of operations in the territory and local market risk metrics. The Group bases its estimate for the pre-tax discount rate on its weighted average cost of capital. The weighted average pre-tax discount rate for the Group was determined to be 14.6% (FY 23: 14.7%). CGU specific discount rates have been applied to reflect CGU specific risks.

The Group has considered associated costs of climate change and decarbonisation when forecasting future cash flows.

Notes to the consolidated financial statements continued

12. Goodwill and intangible fixed assets *continued*

The table below summarises the assumptions used for each CGU:

	Pre-tax discount rate		Medium-term growth rate		Long-term growth rate	
	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23
UK	14.7%	14.8%	5.5%	5.5%	1.0%	0.8%
North America	15.5%	15.3%	11.6%	11.5%	1.9%	1.6%
Europe & APAC	13.1%	12.8%	7.1%	7.1%	1.3%	1.4%

Sensitivity

The Group has considered a range of factors in relation to the value in use estimate for each CGU.

In the assessing goodwill impairment review, discount rates applied would have to increase to between 30.9% and 47.5% dependent on the CGU to result in value in use headroom falling to nil for any CGU. The Directors consider that no reasonably possible change to the long-term growth rates could result in impairment of goodwill for any CGU given the assumptions, summarised in the table above.

Management does not expect a material change to the discount rate in any of its CGUs as presented for the year ended 31 March 2024. As such, in order to address inherent uncertainty surrounding forward-looking cash-flow assumptions, the Group has applied sensitivity analysis to identify the point to which growth would have to fall in order to reduce headroom to nil. As such, the assumed medium-term annual growth rate for the period from FY 26 to FY 29 would need to be an annual decrease of (20.0%) and (30.9%), depending on the CGU, for the value in use headroom to fall to nil.

Variations in inflation levels are not significant in the impairment sensitivity analysis, given the level of headroom available to each CGU.

The Directors have considered whether a reasonably possible change in the assumptions would erode the headroom or give rise to a material adjustment to any carrying value in the next 12 months. The Directors do not consider that a reasonably possible change in assumptions could result in a reduction in headroom to nil for any CGU.

Intangible fixed assets

As at 31 March 2024

	Order backlog £'000	Customer relationships £'000	Intellectual property £'000	Trade name £'000	Capitalised development costs £'000	Total £'000
Cost						
At the start of the year	2,580	36,205	3,388	9,120	1,819	53,112
Additions	–	1,729	–	–	311	2,040
Exchange difference	(24)	(225)	–	(50)	–	(299)
At the end of the year – total	2,556	37,709	3,388	9,070	2,130	54,853
Amortisation						
At the start of the year	(2,580)	(15,145)	(2,602)	(3,378)	(1,819)	(25,524)
Charge for the year	–	(3,269)	(281)	(775)	–	(4,325)
Exchange difference	24	37	–	8	–	69
At the end of the year – total	(2,556)	(18,377)	(2,883)	(4,145)	(1,819)	(29,780)
Net book value	**–**	**19,332**	**505**	**4,925**	**311**	**25,073**

As at 31 March 2023

	Order backlog £'000	Customer relationships £'000	Intellectual property £'000	Trade name £'000	Capitalised development costs £'000	Total £'000
Cost						
At the start of the year	2,192	35,652	3,388	8,982	1,819	52,033
Additions	319	–	–	–	–	319
Exchange difference	69	553	–	138	–	760
At the end of the year – total	2,580	36,205	3,388	9,120	1,819	53,112
Amortisation						
At the start of the year	(2,072)	(12,083)	(2,141)	(2,771)	(1,633)	(20,700)
Charge for the year	(468)	(3,044)	(461)	(603)	(186)	(4,762)
Exchange difference	(40)	(18)	–	(4)	–	(62)
At the end of the year – total	(2,580)	(15,145)	(2,602)	(3,378)	(1,819)	(25,524)
Net book value	**–**	**21,060**	**786**	**5,742**	**–**	**27,588**

Customer relationships

Customer relationships at the start of the year represent the total of the fair value at the acquisition dates of the customer relationships that were owned by, but not previously recognised as assets of, Alpha FMC Group Holdings Ltd in FY 16, TrackTwo GmbH in FY 18, Obsidian Solutions Ltd and Axxsys Ltd in FY 20 and Lionpoint Holdings, Inc. in FY 22.

Additions in the year of £1.7m to customer relationships relate to the acquisition by the Group of Shoreline Consulting Pty Ltd, Shoreline Consolidated Pty Ltd and their subsidiaries.

The fair value has been determined by applying the multi-period excess earnings method to the cash flows expected to be earned from customer relationships. The key management assumptions are around forecast revenues, operating margins and discount factors. The value is given by the present value of the earnings the customer relationships generate, net of a reasonable return on other assets also contributing to that stream of earnings (contributory asset charges).

A useful economic life of 4–12 years has been deemed appropriate based on the average realisation rate of cumulative cash flows and benchmarked data for each respective acquisition. Projected cash flows have been discounted over this period. The amortisation charge is recognised in administration expenses within the consolidated statement of comprehensive income.

Intellectual property

Intellectual property at the start of the year represents the fair value at the 3 February 2016 acquisition date of the intellectual property which was owned by, but not previously recognised as assets of, Alpha FMC Group Holdings Ltd, intellectual property acquired as part of the TrackTwo GmbH acquisition in FY 18, and those acquired on the acquisition of Axxsys Ltd and Obsidian Solutions Ltd in FY 20.

The fair value has been determined by applying the relief from royalty method to the cash flows earned from the intellectual property. The key management assumptions are around growth forecasts, discount factors and royalty percentage utilised. A useful economic life of seven years has been deemed appropriate based on previous acquisitions and benchmarking data. Projected cash flows have been discounted over this period. The amortisation charge is recognised in administration expenses within the consolidated statement of comprehensive income.

Trade name

Trade name intangible assets at the start of the year represent the fair value at the 3 February 2016 acquisition date of the trade name, which was owned by, but not previously recognised as an asset of, Alpha FMC Group Holdings Ltd, and those acquired on the acquisition of Axxsys Ltd and Obsidian Solutions Ltd in FY 20 and Lionpoint Holdings, Inc. in FY 22.

The fair value has been determined by applying the relief from royalty method to the cash flows earned from the trade name. The key management assumptions are around growth forecasts, discount factors and royalty percentage utilised. A useful economic life of 4–15 years has been deemed appropriate based on previous acquisitions and benchmarking data. Projected cash flows have been discounted over this period. The amortisation charge is recognised in administration expenses within the consolidated statement of comprehensive income.

Notes to the consolidated financial statements *continued*

12. Goodwill and intangible fixed assets *continued*

Capitalised development costs

Capitalised development costs represent the costs incurred in the development of Aiviq's client data and analytics software platform. Additions of £0.3m in the year relate to capitalised expenditure by Aiviq in March 2024.

The remaining useful lives at 31 March 2024 of each of the respective asset classes acquired on acquisition above are summarised in the table below.

Acquired entity	Customer relationships (years)	Intellectual property (years)	Trade name (years)	Capitalised development costs (years)
Alpha FMC Group Holdings	3.8	–	6.8	–
TrackTwo GmbH	4.3	0.3	–	–
Axxsys – UK	6.2	–	1.0	–
Axxsys – North America/Nordics	7.2	–	1.0	–
Obsidian Solutions	–	2.6	–	–
Lionpoint – UK	9.2	–	3.5	–
Lionpoint – North America	9.2	–	3.5	–
Lionpoint – Europe & APAC	8.2	–	3.5	–
Shoreline – Europe & APAC	10.1	–	–	–
Aiviq – UK	–	–	–	3.0

The Group reviews the remaining useful lives of its intangible assets on at least an annual basis. During the year, the remaining useful lives of certain customer relationship and trade name intangible assets were shortened to best reflect the Group's expected usage of these assets going forward. These revisions did not have a material effect on the amortisation charge in the year and are not expected to have a material effect on the annual amortisation charge in future years.

13. Acquisition of businesses

Acquisitions in the year

Shoreline

On 1 May 2023, the Group reached an agreement to acquire 100% of the issued share capital of Shoreline Consulting Pty Ltd and Shoreline Consolidated Pty Ltd and its subsidiaries (together, "Shoreline"), a boutique consultancy that provides services to the asset and wealth management sector in APAC, on a cash free, debt free basis. The Directors consider that the acquisition enables Alpha to reinforce our position and take advantage of opportunities in the APAC region.

The maximum potential cash consideration payable by the Group pursuant to the acquisition agreement was AUD 13.0m (£6.8m), allocated between AUD 8.0m (£4.2m) non-contingent cash consideration and a contingent earn-out structure up to a maximum of AUD 5.0m (£2.6m), payable in several instalments.

Subsequent to the acquisition date, in light of market conditions and performance, an agreement with the founders was reached to modify the terms of the earn-out agreement. This agreement has reduced the maximum amount of earn-out consideration available from AUD 5.0m (£2.6m) to AUD 3.1m (£1.6m) with modified earn-out targets, payable in July 2026, 2027 and 2028.

The fair value of consideration recognised on the date of acquisition, excluding employment linked amounts, amounted to AUD 8.2m (£4.3m), of which AUD 4.5m (£2.4m) relates to initial cash consideration paid, AUD 0.2m (£0.1m) relates to additional amounts paid in the year in relation to completion working capital, AUD 2.4m (£1.2m) relates to deferred consideration, and AUD 1.1m (£0.6m) relates to discounted contingent consideration.

Initial consideration was funded from the Group's cash reserves, with any remaining deferred and contingent consideration amounts expected to be settled in cash, with the option to settle a portion of the deferred amounts in the Group's ordinary shares.

A summary of the purchase consideration, net assets acquired, identifiable intangible assets and goodwill is set out below. These fair values are determined by using established estimation techniques such as income-based discounted cash flow models.

Shoreline	Book values £'000	Fair value adjustments £'000	Values on acquisition £'000
Acquiree's net assets at the acquisition date:			
Customer relationships	–	1,729	1,729
Trade and other receivables	768	–	768
Cash and cash equivalents	92	–	92
Trade and other payables	(636)	–	(636)
Deferred tax asset/(liability)	54	(432)	(378)
Net identifiable assets acquired	**278**	**1,297**	**1,575**
Cash consideration relating to business combination			4,286
Goodwill on acquisition (see note 12)			**2,711**

Of the total maximum potential amounts payable, £0.9m was classified as employment-linked because these payments are conditional on the continuing employment of certain Shoreline employees. These employment-linked acquisition payments are expensed through profit or loss proportionately until the relevant payment date, based on the amounts expected to be paid, taking into consideration expected performance against earn-out targets. During the year, the Group has expensed £0.3m in relation to these employment-linked payments through the consolidated statement of comprehensive income, with £0.1m paid in the year.

Deferred and contingent consideration is discounted to fair value. Discount unwinding is recognised as a finance expense proportionately across the periods until final payment. During the year, £0.1m of discount unwinding was expensed as a non-underlying finance cost in relation to the Shoreline acquisition consideration.

A fair value adjustment of £0.1m was recognised in the consolidated statement of comprehensive income at 31 March 2024 to reflect the modified earn-out agreement and revised payment timings described above.

As consideration for the acquisition of Shoreline is payable in Australian dollars, foreign exchange gains and losses are recognised at each reporting date in relation to translating these liabilities into pound sterling. In the period, the Group recognised a small foreign exchange gain through other comprehensive income in relation to the re-translation of these liabilities.

As at 31 March 2024, a £2.1m liability is recorded, of which £0.9m is current and £1.2m is non-current.

Shoreline contributed £2.3m to the Group's revenue in the year and had an immaterial impact on the Group's profit after tax for the year from the date of acquisition to 31 March 2024. If the acquisition of Shoreline had been completed on 1 April 2023, Group revenues for the year would have been £235.7m with an immaterial impact on the Group profits after tax, without adjustment to amortisation assumptions.

Acquisition and integration costs of £0.3m related to the Shoreline acquisition are included within administration expenses as detailed in note 4.

Notes to the consolidated financial statements continued

13. Acquisition of businesses *continued*

Acquisitions in previous years

Lionpoint

As at 31 March 2023, the Group held a liability of £24.9m in relation to future deferred and contingent consideration payable for this acquisition.

Employment-linked acquisition payments are expensed through the income statement proportionately until FY 26. During the year, the Group has expensed £0.8m in relation to these employment-linked payments.

The deferred and contingent consideration is discounted to fair value. Discount unwinding is recognised as a finance cost proportionately across the periods until final payment. During the year, £1.5m of discount unwinding was expensed as a non-underlying finance cost in relation to the Lionpoint acquisition consideration.

During the year, the Group made deferred and contingent Lionpoint acquisition payments totalling £16.3m. Of these payments, £1.7m relates to employment-linked consideration, and is presented within cash from operating activities, with the remaining £14.6m presented within cash used in investing activities in the consolidated statement of cash flows.

As consideration for the acquisition of Lionpoint is payable in US dollars, foreign exchange differences are recognised at each reporting date in relation to translating these liabilities into pound sterling. In the year, the Group recognised a foreign exchange profit of £0.5m in relation to the re-translation of these liabilities.

As at 31 March 2024, a £10.4m liability is recorded, of which £10.1m is current and £0.3m is non-current.

The below table summarises the movements in the deferred and contingent consideration liabilities to 31 March 2024:

	Shoreline £'000	Lionpoint £'000	Total £'000
Balance as at 1 April 2023	–	24,949	24,949
Additions	1,824	–	1,824
Employment-linked consideration	318	817	1,135
Payments in the year[45]	(57)	(16,328)	(16,385)
Unwinding of discounting	127	1,494	1,621
Fair value adjustment	(72)	–	(72)
Foreign exchange gains	(36)	(522)	(558)
Balance as at 31 March 2024	**2,104**	**10,410**	**12,514**
Represented by:			
Current	883	10,070	10,953
Non-current	1,221	340	1,561
Balance as at 31 March 2024	**2,104**	**10,410**	**12,514**

As at 31 March 2024, the Group held a total liability of £12.5m in relation to future deferred and contingent consideration payable for acquisitions. Of this liability at the balance sheet date, £2.4m relates to deferred consideration and the remaining £10.1m relates to contingent consideration. Within these deferred and contingent consideration liabilities, £1.9m relates to employment-linked amounts.

The fair value of acquisition earn-outs is no longer considered to be an area of significant estimation uncertainty given proximity to and more certainty around the Lionpoint final earn-out payment. The fair value of the earn-out liability held in relation of Shoreline is also not considered to have a material level of estimation uncertainty to the value of the liability held at 31 March 2024.

45 Deferred and contingent acquisition payments of £16.4m includes £1.8m of employment-linked consideration, which is reported in net cash generated from operating activities in the consolidated statement of cash flows. Additionally, acquisition payments reported within cash flows from investing activities in the consolidated statement of cash flows includes £2.4m paid upon completion of the acquisition of Shoreline, net of cash acquired, which is not included in the table above.

14. Property, plant and equipment

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
As at 1 April 2022	241	232	2,311	2,784
Additions	–	87	773	860
Disposals	(6)	(42)	(281)	(329)
Exchange difference	3	6	38	47
As at 31 March 2023	238	283	2,841	3,362
Additions	–	11	498	509
Disposals	(237)	(139)	(998)	(1,374)
Exchange difference	(1)	(3)	(26)	(30)
As at 31 March 2024	**–**	**152**	**2,315**	**2,467**
Depreciation				
As at 1 April 2022	(210)	(197)	(1,571)	(1,978)
Charge for the year	(35)	(17)	(492)	(544)
Disposals	6	42	256	304
Exchange difference	1	(4)	(28)	(31)
As at 31 March 2023	(238)	(176)	(1,835)	(2,249)
Charge for the year	–	(30)	(608)	(638)
Disposals	237	139	974	1,350
Exchange difference	1	2	14	17
As at 31 March 2024	**–**	**(65)**	**(1,455)**	**(1,520)**
Net book value as at 31 March 2024	**–**	**87**	**860**	**947**
Net book value as at 31 March 2023	–	107	1,006	1,113

15. Trade and other receivables

	FY 24 £'000	FY 23 £'000
Amounts due within one year:		
Trade receivables	34,190	26,781
Less: allowance for expected credit losses	(685)	(657)
Trade receivables – net	**33,505**	**26,124**
Other receivables	1,080	1,194
Capitalised contract fulfilment costs	753	1,101
Prepayments	2,478	1,999
Accrued income	4,369	3,710
Total amounts due within one year	**42,185**	**34,128**

Trade receivables are non-interest bearing and generally have a 30- to 60-day term. Due to their short maturities, the carrying amount of trade and other receivables is a reasonable approximation of their fair value. Trade receivables have increased in the year through the ongoing growth of the business with higher debtor days at 53 days (FY 23: 43 days) against strong collections in the prior year.

An expected credit loss attributable to trade receivables is established after consideration of historical loss rates in preceding periods and relevant forward-looking factors. The Group has determined historical loss rates for each ageing category of trade receivables by performing an in-depth analysis of historical losses in conjunction with other factors in key Alpha territories.

The Group has considered a number of factors in determining appropriate expected credit loss rates, including macro-economic factors and asset-specific indicators such as customer correspondence, default or delinquency in payment and significant financial difficulties of the customer.

Notes to the consolidated financial statements continued

15. Trade and other receivables *continued*

As at 31 March 2024	Expected loss rate %	Gross carrying amount £'000	Loss allowance £'000	Net carrying amount £'000
Not overdue	1.30%	20,917	(271)	20,646
Overdue 1–30 days	2.23%	10,600	(236)	10,364
Overdue 31–60 days	3.32%	1,444	(48)	1,396
Overdue 61–90 days	7.30%	573	(42)	531
Overdue 90+ days	13.45%	656	(88)	568
As at 31 March 2024		**34,190**	**(685)**	**33,505**

As at 31 March 2023	Expected loss rate %	Gross carrying amount £'000	Loss allowance £'000	Net carrying amount £'000
Not overdue	1.98%	19,295	(382)	18,913
Overdue 1–30 days	3.15%	6,652	(209)	6,443
Overdue 31–60 days	5.01%	602	(30)	572
Overdue 61–90 days	10.82%	69	(7)	62
Overdue 90+ days	17.60%	163	(29)	134
As at 31 March 2023		**26,781**	**(657)**	**26,124**

Capitalised contract fulfilment costs comprise amounts incurred in relation to unsatisfied performance obligations on fixed-fee milestone projects, and non-distinct software implementation costs incurred in advance of the commencement of the client's licence period on Aiviq contracts. As at 31 March 2024, total capitalised contract fulfilment costs were £0.8m (FY 23: £1.2m), of which £0.1m (FY 23: £0.1m) was presented within non-current assets on the face of the consolidated statement of financial position. These costs are recognised in the consolidated statement of comprehensive income at the point of revenue recognition for fixed-fee milestone projects or are amortised to the consolidated income statement over the licence period for non-distinct software implementation costs. An expense of £1.1m (FY 23: £1.5m) has been recognised in the consolidated statement of comprehensive income in relation to capitalised contract fulfilment costs. No significant judgements have been made in determining the amount of costs to be capitalised, which primarily comprise costs within scope of IAS 19 Employee Benefits.

Contract receivables are recognised in accrued income and relate to satisfied performance obligations recognised and not invoiced at the year end. All such contract receivables are expected to be realised within one year and are classified within current assets. Contract receivables are recorded on a time spent basis and as performance obligations are met on agreed fees and day rates, billed in arrears. These are typically short-term timing differences that are administrative in nature at each reporting date. Contract receivable payments are due on standard terms once the invoices are raised. The contract receivables movement in the year represents these timing differences across respective contract deliverables at each year end.

The expected credit loss calculated on accrued income was not material at the current or prior year ends. For analysis of the exposure to credit risk at 31 March 2024, refer to note 23.

16. Cash and cash equivalents

	FY 24 £'000	FY 23 £'000
Cash at bank	29,392	59,215
Cash and cash equivalents	**29,392**	**59,215**

All cash and cash equivalents held by the Group are available for use by the Group with no restrictions.

17. Trade and other payables

	Note	FY 24 £'000	FY 23 £'000
Trade payables		4,400	5,156
Accruals		18,929	29,880
Deferred income		1,756	796
Social security tax on share options	22	2,075	1,669
Taxation and social security		5,731	4,734
Other payables		2,529	2,277
Earn-out and deferred consideration	13	10,953	16,027
Total amounts owed within one year		**46,373**	**60,539**

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade and other payables is a reasonable approximation of their fair value. The Group's trade payables payment policy is to provide payment within the agreed terms, which is generally 30 days from the date of receipt of invoice.

The decrease in accruals reflects the payment in the year of both the FY 23 profit share and the second tranche of deferred FY 22 payments, as well as a lower performance-adjusted bonus accrual amounts for FY 24.

The earn-out and deferred consideration liability comprises the amounts due within one year relating to the Lionpoint and Shoreline acquisitions. Refer to note 13 for further detail.

Deferred income recognises contract liabilities arising from the Group's revenue-generating activities relating to payments received in advance of performance delivered under a contract. These contract liabilities typically arise on short-term timing differences between performance obligations in some milestone or fixed-fee contracts and their respective contracted payment schedules. The contract liability movement in the year represents these timing differences across contracts at each year end. The following table sets out the revenue recognised in the current year that relates to carry-forward contract liabilities, and the current and non-current liabilities recognised in the current year that have been deferred to future reporting periods. All current deferred income is expected to be recognised through revenue within one year. Movements in the year predominantly relate to the underlying operations of the business, and no material contract liabilities were recognised in relation to changes in estimates or contract modifications. There were no contract modifications in the year that resulted in the recognition of revenue from performance obligations satisfied in previous periods.

	Note	FY 24 £'000	FY 23 £'000
Contract liabilities at the start of the year	17,19	1,009	2,098
Foreign exchange movements		(23)	104
Contract liabilities recognised in revenue during the year		(773)	(1,969)
Increase in contract liabilities during the year		1,699	776
Balance at the end of the year	17,19	**1,912**	**1,009**

Unperformed balances shown in the table below, represent the revenue that the Group will earn from customers when the Group satisfies the remaining performance obligations in certain contracts. These mainly relate to Aiviq's multi-year software licence contracts that range between one and five years, in which software access revenue is recognised over the access period.

The following table sets out the aggregate amount of the contracted transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the year-end date. Unperformed balances relating to contracts with an expected original life of less than one year are not disclosed. Similarly, the Group has adopted the practical expedient not to disclose amounts under longer-term contracts in which the revenue is to be invoiced on agreed day rates. Revenue from unperformed performance obligations is expected to be recognised in the following timeframes:

	FY 24 £'000	FY 23 £'000
To be undertaken and recognised within one year	2,589	1,373
To be undertaken and recognised between one and three years	3,337	2,257
To be undertaken and recognised after three years	2,310	1,614
Total unperformed performance obligations	**8,236**	**5,244**

Notes to the consolidated financial statements continued

18. Provisions

	Social security and sales tax provisions £'000	Legal and other provisions £'000	Total £'000
Balance as at 1 April 2023	2,876	450	3,326
Utilised	–	–	–
Released	(378)	(108)	(486)
Additional provisions	504	–	504
Foreign exchange movements	(35)	(1)	(36)
Balance as at 31 March 2024	**2,967**	**341**	**3,308**

Within social security tax and sales tax provisions is a £1.4m (FY 23: £1.4m) provision relating to historical pre-AIM admission potential tax treatments and an additional £1.1m (FY 23: £1.5m) relating to further potential social security tax exposures. An amount of £0.5m has been provided for in the year relating to US sales taxes, following an internal review. The amount and timing of these social security and sales tax provisions are subject to uncertainty. A final position agreed with a tax authority or through the expiry of a tax audit period could differ from the estimated provision.

Legal and other provisions comprise £0.1m (FY 23: £0.3m) of dilapidation provisions in respect of the Group's leased offices and £0.2m (FY 23: £0.2m) relating to ongoing legal claims. The legal and other provisions at 31 March 2024 represents the most probable outcome of these claims at the balance sheet date.

Given the uncertainty, a range of outcomes is possible in relation to these provisions. The Directors consider the cash outflows in relation to recognised provisions could reasonably range between £1.4m and £6.6m.

19. Other non-current liabilities

	Note	FY 24 £'000	FY 23 £'000
Earn-out and deferred consideration	13	1,561	8,922
Deferred income		156	213
Social security tax on share options	22	1,432	1,640
Other non-current liabilities		–	625
Total amounts owed after one year		**3,149**	**11,400**

Earn-out and deferred consideration relates to future deferred and contingent earn-out payments to be made for the acquisition of Lionpoint and Shoreline. Given the passage of time, the third Lionpoint deferred and contingent consideration payments now fall due within 12 months from the balance sheet date. Refer to note 13 for further detail.

Deferred income recognises contract liabilities arising from the Group's revenue-generating activities relating to payments received in advance of performance delivered under a contract. Deferred income recognised as non-current entirely relates to contracts held within the Aiviq business, where revenue is sometimes recognised over a contractual licence period of greater than one year. For further details refer to note 17.

Other non-current liabilities fell to nil in the year as the remaining deferred element of FY 23 bonuses for certain directors and senior management globally now falls due within 12 months from the reporting date.

20. Note to the cash flow statement

	1 April 2023 £'000	Cash flow £'000	Non-cash changes: Lease accounting additions & modifications £'000	Non-cash changes: Other changes £'000	Non-cash changes: Foreign exchange £'000	31 March 2024 £'000
Cash and cash equivalents	59,215	(28,771)	–	–	(1,052)	29,392
Bank borrowings	–	–	–	–	–	–
Net cash	**59,215**	**(28,771)**	**–**	**–**	**(1,052)**	**29,392**
Less: cash and cash equivalents	(59,215)	28,771	–	–	1,052	(29,392)
Leases	(4,161)	2,297	(464)	(305)	73	(2,560)
Interest and bank loan fees	–	1,254	–	(1,254)	–	–
Liabilities arising from financing	**(4,161)**	**3,551**	**(464)**	**(1,559)**	**73**	**(2,560)**

	1 April 2022 £'000	Cash flow £'000	Non-cash changes: Lease accounting additions & modifications £'000	Non-cash changes: Other changes £'000	Non-cash changes: Foreign exchange £'000	31 March 2023 £'000
Cash and cash equivalents	63,516	(7,323)	–	–	3,022	59,215
Bank borrowings	–	–	–	–	–	–
Net cash	**63,516**	**(7,323)**	**–**	**–**	**3,022**	**59,215**
Less: cash and cash equivalents	(63,516)	7,323	–	–	(3,022)	(59,215)
Leases	(2,409)	1,531	(2,854)	(216)	(213)	(4,161)
Interest and bank loan fees	–	482	–	(482)	–	–
Liabilities arising from financing	**(2,409)**	**2,013**	**(2,854)**	**(698)**	**(213)**	**(4,161)**

21. Called up share capital

	FY 24 Number	FY 23 Number
Allotted, called up and fully paid		
Ordinary 0.075p shares (1 vote per share)	122,009,736	120,509,736

	FY 24 £	FY 23 £
Allotted, called up and fully paid		
Ordinary 0.075p shares (1 vote per share)	91,507	90,382

Movements in share capital during the year ended 31 March 2024:

		£
Balance as at 1 April 2023		90,382
120,509,736 ordinary shares of 0.075p each		
Issued shares	(i)	1,125
Balance as at 31 March 2024		**91,507**
122,009,736 ordinary shares of 0.075p each		

(i) During the year, a total of 1,500,000 ordinary shares were issued by the Group, all of which were issued to the employee benefit trust ("EBT") for future satisfaction of share option awards.

Financial Statements

Notes to the consolidated financial statements continued

21. Called up share capital *continued*

Alpha employee benefit trust

The Group held 7,537,366 (FY 23: 6,274,380) shares in the EBT, comprising shares held to satisfy share options granted under its joint share ownership plan ("JSOP") or unallocated ordinary shares to satisfy share options granted under the Group's other share option plans. The EBT has waived all dividend and voting rights in respect of these shares. Therefore, the number of shares with exercisable voting rights at 31 March 2024 was 114,472,370 (FY 23: 114,235,356).

During the year, 1,500,000 ordinary shares were transferred by the Company to the EBT for potential future satisfaction of share incentive plans through the issuance of new shares at nominal value. Further, the EBT purchased a total of 1,035,154 shares from the market in the year for a total of £3.8m, which was funded by the Group and is accounted for as a deduction from other reserves.

In the year, 1,272,168 shares held in the EBT were utilised for employee share option exercises.

Treasury shares

The Group held nil (FY 23: nil) shares in treasury.

22. Share-based payments

The Group has adopted a globally consistent share incentive plan approach, which is implemented using efficient jurisdiction specific plans, as appropriate.

The management incentive plan

The Group has a management incentive plan ("MIP") to retain and incentivise directors and senior management. The MIP consists of four parts: part A of which will enable the granting of enterprise management incentive and non-tax advantaged options to acquire shares; part B of which will enable the awarding of JSOPs; part C of which will enable the awarding of restricted stock units ("RSUs") for participants in the US; and part D of which will enable the awarding of RSUs in France (together the "options").

In prior years, the majority of options granted to certain directors and senior management of the Group were subject to the fulfilment of three or more of the following performance conditions: (a) the Group achieving adjusted EPS growth of 15.0% or more to trigger a maximum award, or 10.0% to trigger a 66% award, with a linear application of awards between these levels; (b) the Group achieving a total shareholder return ("TSR") over three years in excess of the mean TSR delivered by a peer group of comparable companies; (c) personal adherence to corporate values and risk policy; and (d) specific business unit EBITDA, or other personal targets and goals.

As disclosed last year, the Remuneration Committee approved performance conditions for FY 23 awards, which further modified the adjusted EPS growth range set out above to reflect the growth of the Group since AIM admission. The criteria for these share incentive awards to certain directors and senior management of the Group, depending on the individual and their role, include: (a) the Group achieving adjusted EPS growth of 11.25% or more to trigger a maximum award, or 7.5% to trigger a 66% award, with a linear application of awards between these levels; (b) personal adherence to corporate values and risk policy; and (c) specific business unit EBITDA, or other personal targets and goals. These criteria were also applied to FY 24 awards granted in the year.

Awards to senior management also contain a market condition requiring the Group to achieve a TSR over three years in excess of the mean TSR delivered by a peer group of comparable companies.

MIP awards have either nominal or minimal exercise price payable in order to acquire shares pursuant to options. MIP awards have either three- or four-year vesting periods from the date of grant and are usually equity settled.

The employee incentive plan

In addition to the MIP, the Board has previously put in place a medium-term employee incentive plan ("EIP"). Under the EIP, a broad base of the Group's employees has been granted share options or share awards over a small number of shares. The EIP is structured as is most appropriate under the local tax, legal and regulatory rules in the key jurisdictions and therefore varies between those jurisdictions. No EIP awards were made in the current or prior years.

Movements in the year

During the year ended 31 March 2024, a total of 2,805,590 share option and award grants were made to employees and senior management (FY 23: 3,153,014). The weighted average of the estimated fair values of these options awarded in the year is £3.23 per share (FY 23: £3.14).

During the year 3,231,673 MIP and EIP awards vested following the satisfaction of performance conditions. The performance conditions relating to EPS growth and total shareholder return exceeding a basket of comparable companies over three years to the vesting date were met in full and the relevant local regional or individual budgetary performance conditions were met in full or part, in their respective year of grant. Of these vested awards, 1,148,787 have been exercised, with a further 229,798 awards that vested in previous periods also exercised in the year. Of these total 1,378,585 options exercised, the Group settled 1,272,168 through shares transferred from the Group's EBT, with a further 106,417 options retained for net tax settlement. The weighted average share price at the date of these exercises was £3.80.

During the year, 195,201 share options were forfeited or as a result of leavers before vesting.

Of the 2,129,394 share options exercisable at the year end, 2,082,886 share options vested in the year. The remaining vested award holders have a further six to seven-year period, from the date of vesting, in which to exercise their vested awards.

Details of the share option awards made are as follows:

	FY 24 Number
Outstanding at the beginning of the year	9,996,040
Granted during the year	2,805,590
Exercised during the year	(1,378,585)
Forfeited during the year	(195,201)
Expired during the year	–
Outstanding at the year end	**11,227,844**
Exercisable at the year end	**2,129,394**

The weighted average exercise price for all options outstanding in both the current and prior years was nominal. The options outstanding as at 31 March 2024 had a weighted average remaining contractual life of 1.2 years (FY 23: 1.7 years).

During the year ended 31 March 2024, options were granted in July 2023 and January 2024 to certain employees and senior management.

MIP share options with an external market condition were valued at award using the Monte Carlo option pricing model. The model simulates a variety of possible results, across 10,000 iterations for each of the options, by substituting a range of values for any factor that has inherent uncertainty over a number of scenarios using a different set of random values from the probability functions. The model takes any market-based performance conditions into account and adjusts the fair value of the options based on the likelihood of meeting the stated vesting conditions.

MIP share options without external market conditions and EIP share options were valued at award using a Black-Scholes model.

The inputs to these models in the period were as follows:

	FY 24
Weighted average share price at grant date	£3.98
Exercise price	Nominal
Volatility	26.42%
Weighted average share option life	4 years
Risk free rate	4.93%
Expected dividend yield	3.00%

Volatility is calculated based on the relative rate at which Alpha's share price moves up and down. It is derived from calculating the annualised standard deviation of the daily changes in share price. The expected expense calculated in the model has been adjusted, based on management's best estimate, for the effects of non-market-based performance conditions and employee attrition.

The Group recognised a total expense of £7.3m (FY 23: £8.0m) in the current year, comprising £6.7m (FY 23: £7.0m) in relation to equity-settled share-based payments, and £0.6m (FY 23: £1.0m) relating to relevant social security taxes.

Given the more challenging market environment and the Group's performance in FY 24, in April 2024, the Remuneration Committee considered the vesting of FY 24 awards to Executive Directors and senior management of the Group. It was determined that the overall vesting levels of the FY 24 share options awards would be significantly lower than FY 23. This has been reflected in the calculation of the share-based payment charge in the year as well as the associated social security costs. Refer to the Remuneration Committee report on p. 85 for further details.

The combined carrying value of current and non-current liabilities relating to social security tax on share options as at 31 March 2024 is £3.5m (FY 23: £3.3m) of which £2.1m was current and £1.4m was non-current. A £0.6m charge was recognised in the consolidated statement of comprehensive income in the year, offset by £0.4m of payments. Assumptions associated with the calculation of the social security tax liability due on vesting of share options include an estimation of the forward-looking share price at the vesting date based on analyst research and applicable future tax rates. For these purposes, the share price is updated at each reporting period to reflect historical trends, and is assumed to grow in line with the estimated future performance of the business.

If the estimated future share price assumption were to increase by 30%, the social security costs in the period would increase by £0.4m. Were the share price assumption to reduce by 30% the charge would reduce by £0.4m.

If the estimated number of share options expected to forfeit annually were to decrease by 3% for all outstanding share options, the share-based payment charge in the year would increase by £0.7m. If estimated annual forfeits were to increase by 3%, the charge in the year would reduce by £0.7m.

Notes to the consolidated financial statements continued

23. Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

		FY 24 £'000	FY 23 £'000
Financial assets measured at amortised cost			
Cash and cash equivalents		29,392	59,215
Trade and other receivables	(i)	38,954	31,028
Total financial assets measured at amortised cost		**68,346**	**90,243**
Financial liabilities measured at amortised cost			
Trade and other payables	(ii)	(25,858)	(37,313)
Lease liabilities		(2,560)	(4,161)
Other non-current liabilities	(ii)	–	(625)
Total financial liabilities measured at amortised cost		**(28,418)**	**(42,099)**
Financial liabilities measured at fair value			
Earn-out and deferred consideration		(12,514)	(24,949)
Derivative financial liabilities		(21)	–
Total financial liabilities measured at fair value		**(12,535)**	**(24,949)**

i) Trade and other receivables (note 15) as presented in the table above exclude capitalised contract fulfilment costs and prepayments as these are non-financial assets.

ii) Trade and other payables (note 17) and other non-current liabilities (note 19) in the table above exclude deferred income, social security tax on share options, and taxation and other social security as these are non-financial liabilities. Earn-out and deferred consideration liabilities are presented as a separate line item in the table above.

The book value of the financial instruments is deemed to be approximate to fair value. There has been no impairment loss recognised in the current or prior years in respect of financial assets.

The Group's financial instruments comprise cash and cash equivalents, items such as trade payables and trade receivables that arise directly from its operations, and bank borrowings. These financial instruments arise in the ordinary course of business and their main purpose is to provide finance for the Group's operations.

The Group's operations expose it to a variety of financial risks including market risk, credit risk, liquidity risk, interest rate risk and foreign currency exchange rate risk. The Board has overall responsibility for internal control and risk management by the Group. In this structure, the Audit and Risk Committee manages the processes of reviewing the quality of internal controls that are related to the financial performance of the Group, as delegated by the Board. The policies set by the Board of Directors are implemented by the Company's finance team.

Market risk

Market risk is the risk that changes in market prices, including foreign exchange and interest rates, will affect the Group's income or the value of financial instruments held at the year end. The Directors do not consider this to be a significant risk to the Group.

Inflation risk is the risk that the increased rate of inflation in the market will have a material impact on the Group's forecasted cash flows. The Group has therefore considered current and plausible inflation levels when forecasting future cash flows. The Group does not believe that inflationary pressures represent a material risk to the Group's financial position at the balance sheet date.

Credit risk

The Group's credit risk is primarily attributable to potential default on its trade receivables. The Group considers a default to have occurred when a balance is over 90 days overdue and there is no realistic prospect of payment. The Group has policies that require appropriate credit checks on potential customers before sales are made.

The Group has provided for a lifetime expected credit loss against the trade receivables balance at the balance sheet date. The likelihood of default is assessed by reference to the ageing category of the receivables. Refer to note 15 for further details. Were the expected credit loss rates applied to receivables by the Group to increase by 1% for each ageing category, the resulting additional credit loss to the Group would be £0.3m.

Interest rate risk

The Group has interest-bearing assets and liabilities. Interest-bearing assets comprise only cash and cash equivalents that earn interest at a variable rate. The Group's revolving credit facility incurs a variable rate of interest.

If the variable interest rate applicable to the Group's revolving credit facility had been 500 bps higher in the year ended 31 March 2024, finance expenses would have increased by £0.3m.

Liquidity risk

The Group maintains a committed RCF alongside its cash balances, designed to ensure that it has sufficient available funds for operations and planned expansions. The Group monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The concentration of liquidity risk is primarily around acquisition-related payments the Group is committed to make over the next several years. The Group's cash and RCF facility are expected to be more than sufficient to cover these liabilities as they fall due. Refer to note 13 for further detail of these acquisition liabilities.

The Group's current trade payables, accruals and other payables totalling £25.9m are expected to be paid within six months of the balance sheet date. Of the gross undiscounted amounts payable in relation to earn-out and deferred consideration, £11.3m is expected to be paid within six months of the balance sheet date, £1.1m is expected to be paid between 12 and 18 months of the balance sheet date, with the remainder of £1.0m to be paid across FY 27, FY 28 and FY 29. A separate maturity analysis of the Group's lease liabilities is disclosed in note 7.

Financial risk and fair value measurement

The Group is liable for contingent earn-out payments on the acquisition of Lionpoint and Shoreline and, as at 31 March 2024, holds a liability that represents the fair value of amounts that may become payable. The disclosures below exclude amounts classified as employment-linked.

The fair value is determined by estimating the expected payment, discounted to present value using a risk-adjusted discount rate. The expected payment is determined separately in respect of each earn-out agreement, taking into consideration the expected level of financial performance of each acquisition against agreed contractual earn-out terms. An undiscounted expected payment of $11.2m (£8.9m) has been discounted at 4.2% relating to outstanding contingent consideration on the Lionpoint acquisition, which is payable in FY 25. A further AUD 2.0m (£1.0m) of contingent consideration relating to the Shoreline acquisition has been discounted at 15.9%, falling due across the next four years.

The Group has assessed the estimation uncertainty of the liability held in relation to contingent consideration. The fair value of acquisition earn-outs is no longer considered to be an area of significant estimation uncertainty given proximity to and more certainty around the final Lionpoint earn-out payment, which is reflected in the lower discount rate used.

The fair value of the earn-out liability held in relation of Shoreline is also not considered to have a material level of estimation uncertainty given the size of the liability. The Directors consider the undiscounted future contingent consideration payable in respect of the Shoreline acquisition could reasonably range between £nil and £1.0m.

Foreign currency exchange rate risk

The Group is exposed to foreign currency exchange rate risk mainly as a result of trade receivables and payables that will be settled in euros and US dollars, as well as Lionpoint acquisition liabilities that are recorded in US dollars and the Shoreline acquisition liabilities that are recorded in Australian dollars. The Group uses available currency resources to help mitigate exposures.

During the year, the Group entered into an FX swap derivative contract in order to manage the Group's currency requirements alongside the foreign exchange exposure arising from the Lionpoint acquisition liabilities denominated in US dollars. The near leg of the swap was settled in November 2023, with the Group selling $10.0m in return for £7.9m at the prevailing spot rate of 1.26. The far leg of the swap to be settled in August 2024 requires the Group to sell £7.9m in return for $10.0m at a forward rate of 1.26. The Group has measured this derivative at fair value through profit and loss, in line with the requirements of IFRS 9, and has not formally designated this derivative to qualify for hedge accounting. The derivative had a negligible fair value at the balance sheet date.

Notes to the consolidated financial statements *continued*

23. Financial instruments *continued*

The impact on the Group's net fee income arising from a 5% adverse movement in all foreign exchange rates relevant to the Group would be £6.9m (2.9%) in FY 24. The same sensitivity would also result in a decrease in the Group's net assets of £4.5m.

FY 24	GBP '000	EUR '000	USD '000	CHF '000	SGD '000	NOK '000	DKK '000	AUD '000	CAD '000	RSD '000	HKD '000	AED '000
Trade receivables	10,786	4,832	22,209	506	52	–	4,289	1,205	107	–	–	–
Cash	3,566	8,280	9,989	850	2,001	63	9,915	2,665	10,793	9,660	19	–
Trade payables	(2,894)	(336)	(1,192)	(111)	(73)	–	(41)	(179)	(36)	(63)	(24)	(60)
Net amount	**11,458**	**12,776**	**31,006**	**1,245**	**1,980**	**63**	**14,163**	**3,691**	**10,864**	**9,597**	**(5)**	**(60)**

FY 23	GBP '000	EUR '000	USD '000	CHF '000	SGD '000	NOK '000	DKK '000	AUD '000	CAD '000	RSD '000	HKD '000	AED '000
Trade receivables	9,192	4,559	13,362	1,344	504	5	1,824	1,229	316	–	–	–
Cash	6,881	11,432	47,344	769	1,806	1,368	911	3,368	257	4,513	14	–
Trade payables	(2,861)	(791)	(1,774)	(48)	(2)	–	(17)	(90)	(48)	(435)	(12)	–
Net amount	**13,212**	**15,200**	**58,932**	**2,065**	**2,308**	**1,373**	**2,718**	**4,507**	**525**	**4,078**	**2**	**–**

24. Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The Group defines capital as being share capital plus all reserves, which amounted to £148.5m as at 31 March 2024 (FY 23: £149.3m). The Board of Directors monitors the level of capital as compared to the Group's long-term debt commitments and adjusts the ratio of debt to capital as is determined to be necessary, by issuing new shares, reducing or increasing debt, paying dividends and returning capital to shareholders. The Group is not subject to any externally imposed capital requirements.

25. Related party disclosures

Related parties, following the definitions within IAS 24, are the Group's subsidiary companies, members of the Board, key management personnel and their families, and shareholders who have control or significant influence over the Group.

The Group considers key management personnel, as defined under IAS 24 Related Party Disclosures, to be the Company's Directors and certain members of the Group's senior management team that report into the Group Coordination Committee as detailed on p. 74. Further disclosures are set out in the Remuneration Committee report on pp 84-94 and in note 5. There were no transactions within the year in which the Directors had any interest.

Transactions between the Company and its subsidiaries are on an arm's length basis and have been eliminated on consolidation and are not disclosed in this note. None of the Group's shareholders are deemed to have control or significant influence and therefore are not classified as related parties for the purposes of this note.

26. Ultimate controlling party

As at 31 March 2024 there is no ultimate controlling party of the Group. The largest shareholders in the Group are set out in the Directors' Report and are also published at alphafmc.com/investors/aim-rule-26.

27. Events after the reporting period

On 20 June 2024, the Board of Directors announced a recommended cash offer to acquire the Group by Actium Bidco (UK) Limited, a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint Advisers Limited, which is expected to be implemented by way of a scheme of arrangement.

Company statement of financial position

As at 31 March 2024

	Note	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Assets			
Non-current assets			
Investments	2	70,493	1,344
Deferred tax assets	4	560	1,028
Amounts owed by Group undertakings	2	90,662	165,012
Total non-current assets		**161,715**	**167,384**
Current assets			
Trade and other receivables	5	398	68
Corporation tax		264	363
Cash and cash equivalents	6	23	205
Total current assets		**685**	**636**
Current liabilities			
Trade and other payables	7	(1,957)	(14,407)
Total current liabilities		**(1,957)**	**(14,407)**
Net current liabilities		**(1,272)**	**(13,771)**
Non-current liabilities			
Other non-current liabilities	8	(26)	(57)
Total non-current liabilities		**(26)**	**(57)**
Net assets		**160,417**	**153,556**
Equity			
Issued share capital		92	90
Share premium		119,438	119,438
Other reserves		16,094	13,946
Retained earnings		24,793	20,082
Total shareholders' equity		**160,417**	**153,556**

As permitted by Section 408 of the Companies Act 2006, a separate statement of comprehensive income of the parent Company has not been presented. The parent Company's profit for the year was £21.0m.

The notes on pp 147-153 form part of these financial statements. These financial statements were approved and authorised for issue by the Board of Directors on 20 June 2024. They were signed on its behalf by:

Luc MJ Baqué
Chief Executive Officer

John C Paton
Chief Financial Officer

Company registered number: 09965297

Company statement of changes in equity

For the year ended 31 March 2024

	Issued share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total shareholders' equity £'000
As at 1 April 2022	89	119,438	9,224	17,420	146,171
Comprehensive income					
Profit for the year	–	–	–	15,437	15,437
Transactions with owners					
Shares issued (equity)	1	–	–	(1)	–
Share-based payment charge	–	–	7,023	–	7,023
Net settlement of vested share options	–	–	(343)	–	(343)
Purchase of own shares by the EBT	–	–	(1,139)	–	(1,139)
Current tax recognised in equity	–	–	276	–	276
Deferred tax recognised in equity	–	–	(1,095)	–	(1,095)
Dividends	–	–	–	(12,774)	(12,774)
As at 31 March 2023	**90**	**119,438**	**13,946**	**20,082**	**153,556**
Comprehensive income					
Profit for the year	–	–	–	20,959	20,959
Transactions with owners					
Shares issued (equity)	2	–	–	(2)	–
Share-based payment charge	–	–	6,663	–	6,663
Net settlement of vested share options	–	–	(457)	–	(457)
Purchase of own shares by the EBT	–	–	(3,843)	–	(3,843)
Current tax recognised in equity	–	–	162	–	162
Deferred tax recognised in equity	–	–	(377)	–	(377)
Dividends	–	–	–	(16,246)	(16,246)
As at 31 March 2024	**92**	**119,438**	**16,094**	**24,793**	**160,417**

Issued share capital

Issued share capital represents the nominal value of share capital subscribed.

Share premium

The share premium account is used to record the aggregate value of premiums paid when the Company's shares are issued at a premium, net of associated share issuance costs.

Other reserves

The other reserves represent the cumulative fair value of the IFRS 2 share-based payment charge recognised for the Group each year, associated current tax, deferred tax and net settlement of vested share options, equity-settled acquisition consideration reserves, and purchases of the Company's own shares by the employee benefit trust ("EBT").

Retained earnings

The retained earnings reserve represents cumulative net profits and losses recognised in the statement of comprehensive income, less dividends paid.

Notes to the Company financial statements

1. Summary of significant accounting policies

General information

Alpha Financial Markets Consulting plc (the "Company") is a public company incorporated, domiciled and registered in England, in the UK. The registered number is 09965297 and the registered address is 60 Gresham Street, London, EC2V 7BB.

The parent company financial statements present information about the Company as a separate entity and not about the consolidated Group.

Basis of preparation

These financial statements were prepared in accordance with FRS 101.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRS;
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures; and
- The requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

As the consolidated financial statements of the Group include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The requirements of IFRS 2 Share-Based Payment in respect of Group settled share-based payments; and
- The requirements of IFRS 7 Financial Instruments: Disclosures.

The Company financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

The presentational currency of these financial statements and the functional currency of the Company is pounds sterling. All amounts in these financial statements have been rounded to the nearest £1,000.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. For further details please refer to note 1 of the Group's consolidated financial statements.

Principal accounting policies

The accounting policies set out on pp 147-148 have, unless otherwise stated, been applied consistently to all periods presented in these Company financial statements.

Significant judgements and estimates

The preparation of financial information in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The Directors have made no judgements, excluding those involving estimations, in the process of applying the Company's accounting policies that are considered to have a significant effect on the amounts recognised in the financial statements for the year ended 31 March 2024.

The Directors consider that there is no material level of estimation uncertainty associated with the Company's financial statements at the balance sheet date.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment. The Company monitors for indicators of impairment throughout the reporting period, and a full impairment assessment is performed on an annual basis, or more frequently where such indicators exist.

Common control transactions

The Company applies a book-value method of transferring control of subsidiaries between the Company and its wholly owned subsidiaries. All entities involved in the transfer are part of a wider economic group, are related parties within the Group, and are transferred at a value equal to the book value of the investment held relating to the transferred company at the date of transfer.

Notes to the Company financial statements continued

1. Summary of significant accounting policies *continued*

Dividends

Group dividends proposed by the Board are recognised in the financial statements when they have been approved by shareholders at the AGM. Interim dividends are recognised when they are paid.

Amounts owed by Group undertakings

Amounts owed by Group undertakings are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of intercompany receivables is established using an expected credit loss model. Amounts owed by Group undertakings are presented within non-current receivables where they are not expected to be settled within the Group's normal operating cycle.

Amounts owed to Group undertakings

Amounts owed to Group undertakings, presented in trade and other payables, are recognised initially at fair value and subsequently measured at amortised cost.

Employee benefits

Share-based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of shares or share options, is recognised as an employee benefit expense in the statement of profit or loss.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market-based vesting conditions) at the date of grant.

In determining the fair value of share-based payments under IFRS 2, management has considered a number of internal and external factors in order to judge the probability that management and employee share incentives may vest. Such judgements involve estimating future performance and other non-market-based factors.

At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non-market-based vesting conditions to reflect the conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in profit or loss, with a corresponding adjustment to equity. Fair value is measured by the use of a binomial model. The assumptions have been adjusted, based on management's best estimate, for the effects of non-transferability, lack of dividend until vesting and exercise restrictions.

The fair value calculations have been externally assessed as reasonable in the circumstances.

The Company applies an intra-group recharge arrangement to the share-based payments charge relating to employees of other entities within the wider Group, to reflect the benefits received by the respective entity in relation to employees granted share options.

The Company is deemed to be the settling entity in the intra-group arrangement, as share options granted are in relation to ordinary shares of the Company, and recognises the share-based payments charge for the full Group in other reserves. The Company's subsidiaries are considered to be the receiving entities in the arrangement, in line with the benefit received for services provided through ongoing employment.

Amounts relating to employees who provide services directly to the Company are recorded as an equity-settled share-based payment charge through the Company's statement of comprehensive income and are not recharged.

The remaining charge in relation to employees who provide services to other Group entities is initially recognised as an investment in subsidiaries and is simultaneously reversed upon the recharge of this cost to the receiving entity through amounts owed by Group undertakings. This charge is recognised within the profit and loss of the relevant receiving entities. The Company presents these movements in investments on a net basis within note 2.

For further details on the background to share-based payment plans and disclosures, please refer to note 22 of the Group's consolidated financial statements.

Shares held in treasury or by Alpha's employee benefit trust

Shares held in treasury or by Alpha's employee benefit trust ("EBT") consist of ordinary shares in Alpha Financial Markets Consulting plc. These shares are recorded at cost and are deducted from equity.

Other significant accounting policies

Other significant accounting policies are consistent with those presented within the notes to the Group's consolidated financial statements.

Changes in accounting policies

Several standards, interpretations and amendments to existing standards became effective for the year ended 31 March 2024, or will become effective in subsequent periods, as detailed on p. 119 of the Group accounts, none of which had a material impact on the Company.

2. Investments and amounts owed by Group undertakings

	Investments in subsidiaries £'000	Amounts owed by Group undertakings £'000
Cost		
As at 1 April 2022	1,344	144,639
Additions	–	27,608
Repayments	–	(7,407)
Foreign exchange	–	172
As at 31 March 2023	1,344	165,012
Additions	204,029	25,550
Repayments	–	(99,535)
Foreign exchange	–	(25)
As at 31 March 2024	**205,373**	**91,002**
Impairment		
As at 1 April 2022	–	–
Impairment charge	–	–
As at 31 March 2023	–	–
Impairment charge	(134,880)	(340)
As at 31 March 2024	**(134,880)**	**(340)**
Net book value as at 31 March 2024	**70,493**	**90,662**
Net book value as at 31 March 2023	1,344	165,012

During the year, amounts recognised in relation to the share-based payment charge, which are subsequently reversed through intra-group recharge arrangements, were £6.6m (FY 23: £5.8m). These amounts are presented net in the table above in line with the Company's accounting policies.

In October 2023, a number of transactions were undertaken as part of a project to simplify the holding company structure within the Alpha Group. Additions to investments in subsidiaries of £204.0m include £69.1m arising from the issue of new shares in the Company's subsidiaries. Promissory notes were issued in consideration for the issue of the new shares, resulting in a corresponding decrease in the amounts owed by Group undertakings. Also included within additions is £134.9m arising from the distributions in specie of shares in other Group companies received from the Company's subsidiaries.

The impairment of investments in subsidiaries of £134.9m recognised in the year effectively reverses the income received from the distributions in specie that gave rise to the same investments. This impairment charge relates to four legacy holding companies, which are now dormant and have no remaining economic value, and therefore the recoverable amount of these investments is nil. The investments in these companies have been fully impaired and their net book value at 31 March 2024 is nil. These companies are now in members' voluntary liquidation.

Following these transactions, there is no overall change in the total economic value of the subsidiaries owned directly or indirectly by the Company, with the increase in the value of investments in subsidiaries offset by a corresponding decrease in amounts owed by Group undertakings. Similarly, there is no net impact on retained earnings.

The undertakings in which the Group and Company had interest at the year end of more than 20% are as follows:

Subsidiary undertakings	Country of incorporation	Registered address	Principal activity	Class and percentage of shares held – 31 March 2024	Class and percentage of shares held – 31 March 2023
Alpha FMC Trustee Limited	UK	1	Dormant	100% ordinary	100% ordinary
Alpha FMC Midco Limited[46]	UK	1	Dormant	100% ordinary	100% ordinary
Alpha FMC Midco 2 Limited[46]	UK	1	Dormant	100% ordinary	100% ordinary
Alpha FMC Bidco Limited	UK	1	Intermediate holding company	100% ordinary	100% ordinary
Alpha FMC Group Holdings Limited[46]	UK	1	Dormant	100% ordinary	100% ordinary
Alpha FMC Group Nominees Limited	UK	1	Dormant	100% ordinary	100% ordinary
Alpha FMC Group Limited[46]	UK	1	Dormant	100% ordinary	100% ordinary
Alpha Financial Markets Consulting Group Limited	UK	1	Intermediate holding company	100% ordinary	100% ordinary

46 These companies were in members' voluntary liquidation as at 31 March 2024 and remain in liquidation as of the date of this report. These companies are being liquidated to simplify the historical holding company structure within the Group.

Financial Statements

Notes to the Company financial statements *continued*

2. Investments and amounts owed by Group undertakings *continued*

Subsidiary undertakings	Country of incorporation	Registered address	Principal activity	Class and percentage of shares held – 31 March 2024	Class and percentage of shares held – 31 March 2023
Alpha Financial Markets Consulting UK Limited	UK	1	Consultancy services	100% ordinary	100% ordinary
Alpha Technology Services Consulting Limited	UK	1	Dormant	100% ordinary	100% ordinary
Aiviq Limited	UK	1	Consultancy services	100% ordinary	100% ordinary
Alpha Financial Markets Consulting, Inc.	USA	2	Consultancy services	100% ordinary	100% ordinary
Alpha Financial Markets Consulting S.A.S.	France	3	Consultancy services	100% ordinary	100% ordinary
Alpha Financial Markets Consulting (Luxembourg) S.A.	Luxembourg	4	Consultancy services	100% ordinary	100% ordinary
Alpha Financial Markets Consulting Netherlands B.V.	Netherlands	5	Consultancy services	100% ordinary	100% ordinary
Alpha Financial Markets Consulting Switzerland S.A.	Switzerland	6	Consultancy services	100% ordinary	100% ordinary
Alpha Financial Markets Consulting Germany GmbH	Germany	7	Consultancy services	100% ordinary	100% ordinary
Alpha Financial Markets Consulting Singapore Pte. Ltd.	Singapore	8	Consultancy services	100% ordinary	100% ordinary
Alpha Financial Markets Consulting Hong Kong Limited	Hong Kong	9	Consultancy services	100% ordinary	100% ordinary
Alpha Financial Markets Consulting Australia PTY Limited	Australia	10	Consultancy services	100% ordinary	100% ordinary
Axxsys Limited	UK	1	Consultancy services	100% ordinary	100% ordinary
Axxsys Financial Software Consulting Canada Limited	Canada	11	Consultancy services	100% ordinary	100% ordinary
Axxsys Consulting USA Inc.	USA	12	Dormant	100% ordinary	100% ordinary
Axxsys Danmark ApS	Denmark	13	Consultancy services	100% ordinary	100% ordinary
Obsidian Solutions Limited	UK	1	Consultancy services	100% ordinary	100% ordinary
Alpha Technology Services Consulting S.A.S.	France	3	Consultancy services	100% ordinary	100% ordinary
Obsidian Alpha Data Solutions LLC Belgrade	Serbia	14	Consultancy services	100% ordinary	100% ordinary
Alpha FM Consulting Canada Inc.	Canada	15	Consultancy services	100% ordinary	100% ordinary
Alpha Financial Markets Consulting (Insurance) France S.A.S.	France	3	Consultancy services	100% ordinary	100% ordinary
Lionpoint Holdings, Inc.	USA	16	Intermediate holding company	100% ordinary	100% ordinary
Lionpoint Group, LLC	USA	17	Consultancy services	100% ordinary	100% ordinary
Lionpoint Group (UK) Limited	UK	1	Consultancy services	100% ordinary	100% ordinary
Lionpoint Group SA	Switzerland	18	Consultancy services	100% ordinary	100% ordinary
Lionpoint Group Pty Limited	Australia	19	Consultancy services	100% ordinary	100% ordinary
Lionpoint GmbH	Germany	20	Consultancy services	100% ordinary	100% ordinary
Alpha Data Solutions Limited	UK	1	Dormant	100% ordinary	100% ordinary
Alpha Financial Markets Consulting MENA Ltd[47]	UK	1	Consultancy services	100% ordinary	100% ordinary
Shoreline Asset and Wealth Consulting Inc.[48]	Canada	21	Dormant	100% ordinary	N/A
Shoreline Consolidated PTY Ltd[48]	Australia	22	Intermediate holding company	100% ordinary	N/A
Shoreline Consulting Pte. Ltd.[48]	Singapore	23	Consultancy services	100% ordinary	N/A
Shoreline Consulting PTY Ltd[48]	Australia	22	Consultancy services	100% ordinary	N/A

47 Alpha FMC (Newco) Limited has changed its name to Alpha Financial Markets Consulting MENA Ltd.
48 All Shoreline entities were acquired in May 2023.

Registered addresses

1 60 Gresham Street, London, EC2V 7BB, UK
2 12 East 49th Street, New York, NY 10017, USA
3 6 Square de L'Opéra Louis Jouvet, 75009 Paris, France
4 19/21 Route d'Arlon – bloc B, L-8009 Strassen, Luxembourg
5 Strozzilaan 101, Amsterdam, 1083 HN, The Netherlands
6 Stockerstrasse 55, 8002 Zürich, Switzerland
7 Kurt – Blaum – Platz 8, 63450 Hanau, Germany
8 6A Shenton Way #04-01 Downtown Gallery, Singapore 068815
9 22/F Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong
10 Quay Quarter Tower, 50 Bridge Street, Sydney NSW 2000, Australia
11 1800-13401 108th Avenue, Surrey, British Columbia V3T 5T3, Canada
12 Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, DE 19801
13 Flaesketorvet 68, DK-1711 Copenhagen, Denmark
14 Dvadesetsedmog marta 6-6a, 11060 Palilula, Belgrade, Serbia
15 Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C2X8, Canada
16 251 Little Falls Drive, Wilmington, Delaware 19808-1674, USA
17 8 The Green, Suite A, Dover, Delaware 19901, USA
18 Rue d'Italie 11, 1204, Geneva, Switzerland
19 Ground Floor, 123 Walker Street, North Sydney NSW, 2060, Australia
20 c/o KUNZ Rechtsanwälte, Antoniterstraße 14-16, Köln, 50667, Germany
21 199 Bay Street, Suite 5300 Commerce Court West, Toronto, Ontario, M5L 1B9 Canada
22 Accru Felsers, Level 6, 1 Chifley Square, Sydney, NSW 2000
23 Marina Bay Financial Centre, 8 Marina Boulevard #11-00, 018981, Singapore

3. Auditor remuneration

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is instead disclosed on a consolidated basis in note 3 of the consolidated financial statements.

4. Deferred tax

Movements in deferred tax

As at 31 March 2024	1 April 2023 £'000	Recognised in income £'000	Recognised in equity £'000	31 March 2024 £'000
Share options	1,028	(91)	(377)	560
Deferred tax asset	**1,028**	**(91)**	**(377)**	**560**

As at 31 March 2023	1 April 2022 £'000	Recognised in income £'000	Recognised in equity £'000	31 March 2023 £'000
Share options	3,213	(1,090)	(1,095)	1,028
Deferred tax asset	**3,213**	**(1,090)**	**(1,095)**	**1,028**

For the year ended 31 March 2024, the Company has recognised a total charge of £0.2m (FY 23: £0.8m) of tax through equity, of which £0.4m (FY 23: £1.1m) relates to a reduction in deferred tax on share options outstanding, partly offset by a £0.2m credit (FY 23: £0.3m) relating to current tax on the exercise of share options.

Notes to the Company financial statements continued

5. Trade and other receivables

	FY 24 £'000	FY 23 £'000
Prepayments	398	68
Current trade and other receivables	**398**	**68**

6. Cash and cash equivalents

	FY 24 £'000	FY 23 £'000
Cash in bank and at hand	23	205
Cash and cash equivalents	**23**	**205**

7. Trade and other payables

	FY 24 £'000	FY 23 £'000
Amounts owed to Group undertakings	1,050	13,332
Other payables	567	574
Social security tax on share options	340	501
Total amounts owed within one year	**1,957**	**14,407**

Amounts owed to Group undertakings reduced by £12.2m to £1.1m (FY 23: £13.3m) resulting from repayments of intercompany loans during the year.

8. Other non-current liabilities

	FY 24 £'000	FY 23 £'000
Social security tax on share options	26	57
Total amounts owed after one year	**26**	**57**

9. Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	FY 24 £'000	FY 23 £'000
Financial assets measured at amortised cost	90,685	165,285
Financial assets measured at historical cost	70,493	1,344
Financial liabilities measured at amortised cost	(1,983)	(14,464)
Net financial assets	**159,195**	**152,165**

The book value of the financial instruments is deemed to be approximate to fair value.

The Company's financial instruments comprise intercompany receivables, investments in subsidiaries, cash and trade and other payables. These financial instruments arise in the ordinary course of business and their main purpose is to provide finance for the Group's operations.

The Group's operations expose it to credit risk arising from intercompany receivables. Management has overall responsibility for internal control and risk management by the Company. The policies set by management are implemented by the Company's finance team.

Credit risk

The Company's credit risk is primarily attributable to its intercompany receivables. The Company provides financing to other entities within the Group on an unsecured and typically interest-free basis, repayable on demand. There is no collateral held on these receivable balances. The expected credit loss on the Company's financial assets is measured annually based on historical datapoints and an assessment of the forward-looking probability of default. The expected credit loss on the Company's intercompany receivables is immaterial as at 31 March 2024.

The Directors consider the intercompany receivables to represent a low credit risk and credit risk is not considered to have increased significantly since initial recognition. The wider Group has a strong liquidity position and there is no current expectation by the Directors for repayment of the intercompany balances in the short term.

10. Share-based payments

Options under the Group's "management incentive plan" share option schemes have been granted to employees of the Company. For further information, including the terms and conditions of these awards please refer to note 22 of the Group's consolidated financial statements.

	FY 24		FY 23	
	Exercise price of outstanding options £	Weighted average remaining contractual life Years	Exercise price of outstanding options £	Weighted average remaining contractual life Years
Management incentive plan awards	Nominal	1.3	Nominal	1.1

The Company's weighted average share price at the date of exercised awards in the year was £3.50.

The Company recognised a share-based payment expense in the year of £0.1m (FY 23: £1.2m). A credit of £0.1m (FY 23: a charge of £0.3m) to the statement of comprehensive income was recognised in relation to the realignment of the associated social security liabilities to reflect assumptions at the year end, including the Group's lower share price.

All share options granted in FY 24 will be forfeited due to the performance conditions associated with the awards not being satisfied. Therefore, there is no share-based payment charge or associated social security cost in relation to these awards. Refer to the Remuneration Committee report on p. 85 for further details.

As disclosed in the FY 23 Annual Report and Accounts, Euan Fraser stepped down from the role of Chief Executive Officer and from the Board on 31 March 2023 and remained with the Group as a strategic adviser on a part-time basis. This resulted in an acceleration to the share-based payment charge in relation to Euan's share options in FY 23, as all employment-linked conditions attached to these options were removed.

Assumptions associated with the calculation of the social security tax liability due on vesting of share options include an estimation of the forward-looking share price at the vesting date based on applicable analyst research and applicable future tax rates. For these purposes, share price is updated at each reporting period to reflect historical levels, and is assumed to grow in line with the estimated future performance of the business.

11. Related parties

Identity of related parties with which the Company has transacted

The Company has not engaged in any transactions with any related parties other than with wholly owned subsidiaries. These transactions have not been disclosed as the Company has taken advantage of exemptions under FRS 101.

12. Events after the reporting period

On 20 June 2024, the Board of Directors announced a recommended cash offer to acquire the Company by Actium Bidco (UK) Limited, a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint Advisers Limited, which is expected to be implemented by way of a scheme of arrangement.

SASB disclosure

The mission of the Sustainability Accounting Standards Board ("SASB") is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors. The Group adopts the SASB framework as it allows organisations to provide comparable and consistent ESG-related data. As a "professional and commercial services" organisation under SASB, the material factors according to the SASB framework are as follows:

— data security;

— workforce diversity & engagement; and

— professional integrity.

The below tables provide the numeric metrics relating to these factors over the past 12 months where applicable, in addition to the internal frameworks used to manage these risks on an ongoing basis. Further qualitative data for each of the material factors is provided throughout the Annual Report. The Group also recognises the increasing importance of the environment to its investors, employees and other stakeholders, which it describes in addition to the required disclosure.

Topic	Principal locations in this Annual Report
Data Security	Risk management p. 59
Workforce Diversity & Engagement	Looking after our people: emphasis on culture and inclusion p. 37 Social: diversity and inclusion p. 44
Professional Integrity	Sustainable business: governance pp 41-43; and community and social responsibility pp 44-45

ESG metrics:

Topic: Data Security

Measurement	FY 24	FY 23	SASB Code
Number of data breaches	–	–	SV-PS-230a.3

Description of approach to identifying and addressing data security risks: SV-PS-230a.1

Alpha continues to monitor and maintain a robust security posture across the organisation. Alpha seeks to address the ever-evolving cyber threat landscape by monitoring and improving, as appropriate, global security measures and controls.

The Group's IT and data security strategy also ensures that the confidentiality, integrity and availability of data is maintained and is frequently assessed and updated to remain aligned with global data protection frameworks and regulations.

Alpha has identified a number of key risk areas that are regularly monitored and considered including: the misuse of data; accidental or intentional dissemination of data; loss, theft or compromise of data and/or information; incorrect data being used for internal or external purposes; and unauthorised access of equipment and/or physical resources.

Internal policies and governance

Alpha maintains a suite of information security policies, which are reviewed and updated regularly. Alpha's IT and information security function recommend relevant changes and they are approved by the senior leadership team, represented by the Group Coordination Committee.

These policies are based upon best practice from the National Institute of Standards and Technology ("NIST") framework. Policies include but are not limited to:

— Acceptable use;

— Access control;

— Antivirus and threat management;

— Asset management;

— Data privacy;

— Data encryption;

— Information security training;

— Password management;

— Secure development;

— Wireless network policy; and

— Business continuity and disaster recovery.

The information security policies attest to the responsibility, governance and business practices that Alpha applies to the topics surrounding IT and data security, and enable the Group to validate information security and risk posture on a constant basis.

Senior oversight and executive sponsorship

Alpha's Head of IT, reporting into the Group Head of Operations, is responsible for the oversight and management of incidents, risks, and remedial activities pertaining to Alpha's IT, infrastructure and information security function. Executive sponsorship of IT and data security in the leadership team is provided by the Group Managing Director and day-to-day oversight is the responsibility of the Information Security Lead.

Alpha operates an internal Information Security Management Forum ("ISMF"), chaired by the Information Security Lead. The ISMF meets regularly to review incidents, risk and mitigation activities across the Group. This forum is also used to identify and oversee the activities that are required to meet security accreditations and certifications; for example, managing activities pertaining to Aiviq's ISO-27001 certification. In the year, Aiviq also successfully obtained the Cyber Essential Plus certification.

Workforce training and awareness

All Alpha employees are trained and empowered to take responsibility for data security across the organisation. Mandatory data handling and information security training is issued annually with a positive pass required of each employee. This mandatory annual training is supplemented throughout the year with security awareness training modules, delivered electronically.

Social engineering assessments are additionally undertaken with analysis and benchmarking against industry average statistics. Further mandatory training is issued as a follow up following completion of these assessments. Technical safeguards such as multifactor authentication ("MFA"), secure email gateway, secure cloud access gateway, DMARC anti-spoofing controls and phishing reporting are also implemented.

Cloud security and monitoring

Alpha continues to adopt market-leading cloud technologies to ensure a multi-layered approach in defending its infrastructure, people and data from emerging cyber threats. Using these platforms, Alpha had deployed a broad range of technical controls around encryption, intrusion detection and prevention, data leak prevention, traffic inspection, and threat scanning. Additionally, new technologies are regularly evaluated as Alpha continues to assess the security landscape and identifies potential changes in risk. Given the continuation of hybrid working, further investment has also been made in the Group's Endpoint protection and detection suite, which includes best in class technologies and threat intelligence capability.

Proactive monitoring across Alpha's core infrastructure is undertaken by the security operations centre ("SOC"), for which Alpha leverages a qualified third party (BDO Digital). The SOC enables the organisation to assess robustly alerts and events, correlate with threat intelligence and take the appropriate course of investigation.

Robust incident and breach response

The Group Head of Legal & Corporate Affairs oversees Alpha's protection and privacy framework, including compliance with all relevant regulations. The Group Head of Operations oversees operational procedures aligned to that framework with support from the IT and business support teams.

Alpha operates a unified global incident response and breach management process, which ensures we are able to appropriately assess and triage all data security incidents, and ensure that the most effective remediation is applied. The response function ensures the timely containment of any incident(s) and impact assessment, and handles both internal and external notifications (if and when required).

During the previous 12 months, there were no reportable data breaches.

Description of policies and practices relating to collection, usage, and retention of customer information: SV-PS-230a.2

Alpha fully understands its custodial obligations around protecting internal, employee and client information. In line with this, Alpha has implemented and annually reviews a global data protection policy and privacy statement, which comprises relevant privacy notices relating to different areas of the business. Alpha's privacy statement explains the types of information collected and processed, and governance of the usage attributed to this data collection, and outlines the appropriate data retention schedules.

In accordance with the privacy statement, Alpha collects and processes contact and organisational information for legitimate business purposes, safeguarded by a suite of technical controls to mitigate the risk of data breaches arising from external threats.

All systems and applications are configured on a least-privilege basis, ensuring access to data is appropriate by job function. All cloud platforms are assessed at the point of implementation and annually thereafter to assess data residency and ongoing compliance with the appropriate regional legislation.

To further mitigate risks associated with data handling and security, Alpha has deployed several risk controls including:

— Annual review and approval of global information security policies by the Group Coordination Committee;

— Executive sponsorship of IT and data security in the leadership team is provided by the Group Managing Director;

— Clear oversight of and responsibility for the data protection and privacy framework by the Global Head of Legal & Corporate Affairs;

— Clear lines of operational responsibility and engagement across the global data protection governance, overseen by the Group Head of Operations;

— Training and awareness to promote good cyber hygiene and build a security aware culture;

— Social engineering assessments across the global workforce, robustly analysed to benchmark attack susceptibility against industry averages;

— Security operations centre performing real-time infrastructure monitoring, correlating events and alerts with threat analytic feeds and other sources of intelligence;

— Adoption of a cloud-first IT architecture model, built upon zero-trust security principles;

— Due diligence, vetting and annual auditing of cloud providers is undertaken to validate information security and risk posture around these applications; and

— Regular external collaboration with cybersecurity specialists.

SASB disclosure continued

ESG metrics: *continued*

Topic: Workforce Diversity & Engagement[49]

Measurement	SASB Code
Percentage of gender representation	SV-PS-330a.1

	Male		Female		Other		N/A[50]	
Level	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23
Directors and equivalent	83.5%	85.8%	15.7%	13.3%	0.0%	0.0%	0.8%	0.9%
Managers, senior managers, associate directors and equivalent	70.7%	69.3%	28.5%	30.5%	0.4%	0.0%	0.4%	0.2%
Analysts, consultants and equivalent	60.8%	62.9%	37.9%	36.4%	0.0%	0.0%	1.2%	0.7%
Overall split	**68.5%**	**68.5%**	**30.6%**	**31.0%**	**0.2%**	**0.0%**	**0.8%**	**0.5%**

Measurement	SASB Code
Percentage of racial/ethnic group representation (UK)	SV-PS-330a.1

	Asian or Asian British		Black or Black British		Mixed background		White or White British		Other		N/A	
Level	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23
Directors and equivalent	3.2%	1.8%	1.6%	1.8%	1.6%	1.8%	75.8%	89.5%	1.6%	0.0%	16.1%	5.3%
Managers, senior managers, associate directors and equivalent	14.7%	15.6%	2.1%	3.1%	2.5%	3.1%	66.0%	67.6%	2.5%	1.3%	12.2%	9.3%
Analysts, consultants and equivalent	13.3%	17.5%	4.4%	5.3%	5.7%	3.5%	58.2%	62.6%	3.8%	3.5%	14.6%	7.6%
Overall split	**12.7%**	**14.6%**	**2.8%**	**3.8%**	**3.5%**	**3.1%**	**64.6%**	**68.4%**	**2.8%**	**2.0%**	**13.5%**	**8.2%**

Measurement	SASB Code
Percentage of racial/ethnic group representation (North America)	SV-PS-330a.1

	Asian		Black or African American		Hispanic or Latino		White		Other		N/A	
Level	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23
Directors and equivalent	9.1%	11.1%	0.0%	0.0%	0.0%	0.0%	75.8%	77.8%	6.1%	3.7%	9.1%	7.4%
All other employees	15.8%	15.3%	3.2%	3.6%	2.3%	3.6%	42.4%	49.1%	5.1%	4.6%	31.2%	23.8%
Overall split	**15.1%**	**14.9%**	**2.9%**	**3.2%**	**2.0%**	**3.2%**	**45.6%**	**51.6%**	**5.2%**	**4.5%**	**29.1%**	**22.4%**

Measurement	FY 24	FY 23	SASB Code
Voluntary turnover rate of employees	6.7%	12.2%	SV-PS-330a.2
Employee engagement as a percentage[51]	81.0%	73.5%	SV-PS-330a.3

49 Given the nature of the metrics, the percentages used as part of the SASB disclosure refer to total global headcount, i.e. fee-generating consultants as well as business operations teams.

50 "N/A" refers to unknown, undisclosed or prefer not to say. An important part of the on-going diversity and inclusion initiatives at Alpha is to endeavour to reduce the number of "N/A" (where appropriate) and to expand the data groups on which it is reporting so as to provide a wider view of how it is performing against the topic. Please see the diversity and inclusion section of the report for more information.

51 Employee engagement data for FY 24 and FY 23 was based on the anonymous feedback survey conducted during the year, in which all teams participated.

Topic: Professional Integrity

Measurement	FY 24	FY 23	SASB Code
Total amount of monetary losses as a result of legal proceedings associated with professional integrity[52]	–	–	SV-PS-510a.2

Description of approach to ensuring professional integrity: SV-PS-330a.1

Acting with integrity is subscribed into Alpha's core values. To support this, Alpha maintains clear policies for its employees on such topics as anti-bribery, confidentiality, IT security and acceptable use, whistleblowing and tax evasion. Annual performance reviews include an assessment of professional integrity and compliance with company policies. The Group will continue to review its adherence to high professional standards and business ethics and introduce new policies and training for its teams as appropriate for the Group's business model and range of services.

Operating according to strong standards of transparency, honesty, business ethics and professional integrity means that Alpha is able to identify, understand and meet consistently the high expectations of its clients and wider stakeholders. Alpha is also cognisant of its wider relationships and is developing its approach to managing business and supplier relationships in respect of human rights and ethical standards, such as through its Living Wage application.

Alpha is committed to delivering the highest relationship and delivery standards to all clients and prospective clients. As part of this commitment, the professional conduct of the Group is at all times fair and professional, premised upon:

- Promoting Alpha's services honestly and fairly;
- Preserving the confidentiality and privacy of client businesses;
- Acting lawfully and ethically at all times; and
- Delivering projects in line with the terms of the engagement as well as any wider services agreements.

It is the responsibility of the Alpha engagement lead, supported by the client account owner, to ensure that client expectations are met on each client project. The head of each business area then oversee the engagement and satisfaction of clients with the Group's products and service offering, ensuring that they are aligned to the Group's high professional standards.

52 This covers losses arising out of legal proceedings against Alpha in connection with its relationship with clients and the delivery of professional services to its clients.

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