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Results for the financial year ended 31 May 2024

25 July 2024

IG Group Holdings plc (“IG”, “the Group”, “the Company”), today announces its results for the 12 months ended 31 May 2024 (“FY24”).

Financial highlights[1]

Delivered resilient results in slower market conditions and controlled costs well throughout a period of leadership and organisational change.

- Total revenue of £987.3 million (FY23: £1,022.6 million), down 3%.
- Net trading revenue of £844.9 million (FY23: £941.8 million), down 10% due to reduced trading activity.
- Net interest income increased to £142.4 million (FY23: £80.8 million) reflecting higher interest rates.
- Adjusted[2] profit before tax of £456.3 million (FY23: £490.5 million), down 7%. Adjusted profit before tax margin was within the guidance range of mid-to-high 40s at 46.2% (FY23: 48.0%). Statutory profit before tax of £400.8 million (FY23: £449.9 million), down 11%.
- Adjusted basic EPS of 90.3 pence (FY23: 94.7 pence), down 5% on FY23. Statutory basic EPS of 79.4 pence (FY23: 86.9 pence).
- Total capital return of £422.7 million split across dividends paid and shares re-purchased in the period (FY23: £363.4 million).
- Proposed an increased total dividend per share of 46.2 pence (FY23: 45.2 pence) and a new share buyback programme of £150 million to be completed by 31 January 2025.

Strategic and operational highlights

- Following the appointment of Breon Corcoran as CEO in January 2024, new organisational structure recently created to enhance product velocity and client centricity. Initiated work to change IG’s culture to increase ownership and accountability.
- Launched an operational improvement programme in October 2023, and we continue to explore opportunities to enhance efficiency.
- High quality and strength of risk management framework and controls evidenced by a 40% reduction in the Group regulatory capital requirement in August 2023.
- Total active clients of 346,200 (FY23: 358,300) down slightly in markets which were less volatile. First trades of 69,900 (FY23: 72,600) were down 4%.
- tastytrade delivered record total revenue which increased 23% to $251.8 million (£200.6 million) from $205.0 million in FY23 (£170.3 million) reflecting 10% growth in net trading revenue ($160.1 million) and 53% growth in interest income ($91.7 million).

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[1] On a continuing operations basis which in FY23 excludes the operations of North American Derivatives Exchange, Inc (“Nadex”).

[2] Adjusted metrics exclude revenue and costs relating to non-recurring or non-cash items. A reconciliation to statutory measures is in the Appendix.

Financial summary (continuing operations)

£ million (unless stated)	FY24	FY24 adjusted	FY23	FY23 adjusted	Change %	Change adjusted %
Total revenue	987.3	987.3	1,022.6	1,022.6	(3%)	(3%)
Net trading revenue	844.9	844.9	941.8	941.8	(10%)	(10%)
Total operating costs[1,2]	619.6	564.1	584.9	541.0	6%	4%
Profit before tax	400.8	456.3	449.9	490.5	(11%)	(7%)
Profit after tax	307.7	350.3	363.7	396.5	(15%)	(12%)
Basic earnings per share (p)	79.4	90.3	86.9	94.7	(9%)	(5%)
Total dividend per share (p)	46.2	-	45.2	-	2%	-

[1] Operating costs include net credit losses on financial assets

[2] FY24 adjusted operating costs exclude £36.4 million of costs and recurring non-cash costs associated with the tastytrade acquisition and integration (FY23: £39.7 million), £19.1 million relating to the operational improvement programme and £4.2 million in FY23 relating to the sale of Nadex.

Breon Corcoran, Chief Executive Officer, commented:

"IG has a sound position in large, growing markets, underpinned by an established brand and a loyal, high-value client base. However, I've also identified areas requiring change. We have lots of work to do to take IG to the next level and address the challenges we face.

"We operate in a competitive industry landscape that is changing rapidly. We must move at pace to get closer to our customers, give them the products they want more quickly, enhance efficiency, and add scale to win. My initial priorities are to increase client centricity, accelerate product velocity and develop our culture to increase ownership and accountability.

"I'm excited by the enthusiasm of our people and their commitment to delivering sustainable, stronger growth. I'm confident that we have a solid platform on which to build."

Further information

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Analyst presentation

There will be an analyst and investor presentation at 9:30am (UK Time) on Thursday 25 July at IG Group, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA. The presentation will also be available via live audio webcast at Webcast | IG Group. If you wish to listen via conference call, please use the following link Conference call registration | IG Group. The audio webcast of the presentation and a transcript will be archived at: Financial Results | IG Group.

Alternative performance measures

IG Group management believes that the alternative performance measures included in this document provide valuable information to the readers of the financial statements as they enable the reader to identify a more consistent basis for comparing business performance between financial periods. They also provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group. Furthermore, they reflect how operating targets are defined and performance is monitored by IG Group management. However, any alternative performance measures in this document are not a substitute for statutory measures and readers should also consider the statutory measures. Refer to the appendices for further information and calculations of alternative performance measures included throughout this document, and the most directly comparable statutory measures.

AGM and Board

This year's Annual General Meeting ("AGM") will be held on 18 September 2024. Further details will be provided in the Notice of Meeting in due course. Malcolm Le May will retire from the Board at the conclusion of the 2024 AGM. We thank Malcolm for his strong contribution as a valued member of the Board during his nine-year tenure.

Forward-looking statements

This preliminary statement, prepared by IG Group Holdings plc (the "Company"), may contain forward-looking statements about the Company and its subsidiaries (the "Group"). Such forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "projects", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which are beyond the Company's control and are based on the Company's beliefs and expectations about future events as of the date the statements are made. If the assumptions on which the Group bases its forward-looking statements change, actual results may differ from those expressed in such statements. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including those set out under "Principal Risks" in the FY23 Group Annual Report for the financial year ended 31 May 2023. The Annual Report can be found on the Company's website (www.iggroup.com).

Forward-looking statements speak only as of the date they are made. Except as required by applicable law and regulation, the Company undertakes no obligation to update these forward-looking statements.

No offer or solicitation

This announcement is not intended to, and does not constitute, or form part of, any offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period.

Some numbers and period on period percentages in this statement have been rounded or adjusted to ensure consistency with the financial statements. This may lead to differences between subtotals and the sum of individual numbers as presented. Acronyms used in this report are as defined in the Group's Annual Report.

About IG

IG Group (LSEG:IGG) provides online trading platforms and educational resources to empower ambitious clients around the globe. Headquartered in the UK, IG Group is a FTSE 250 company that offers clients access to ~19,000 financial markets worldwide.

Year in Review

The Group delivered resilient results in FY24 in slower cyclical market conditions, supported by execution of our strategy to expand and diversify by both product and geography.

Total revenue declined 3% on the prior year, as lower trading revenue was largely mitigated by stronger interest income. Within total revenue, trading revenue declined 10% as weaker OTC derivatives revenue was partly offset by growth in exchange-traded derivatives, with stock trading and investments revenue flat.

Operating margins remained strong and adjusted costs were relatively well controlled in the year, increasing 4% on FY23, reflecting the early benefit of efficiency measures announced in October 2023.

The high quality and strength of our risk management frameworks and controls was evidenced by a significant reduction in our regulatory capital requirements in the year.

OTC derivatives

OTC total revenue declined 9% driven by lower trading revenue reflecting moderation in active clients and lower revenue per client. Active clients declined 6% in the year, although weakness was largely seen in Q1 and client numbers were broadly stable over the rest of the period.

Lower trading revenue was partly offset by increased interest income, reflecting higher monetary policy rates in several countries. These trends were broadly similar across most geographies except Singapore which delivered stronger trading revenue reflecting higher volumes from some of our largest traders.

Trading revenue held up well relative to the decline in volatility across a range of asset classes as clients remained engaged on our platform and continued to seek trading opportunities. Trading revenue continued to be driven by clients onboarded in prior years and retention was consistent with long-term trends.

Exchange-traded derivatives

Our exchange-traded derivatives (ETD) business is dominated by tastytrade, our US options, futures and equities business, which generates approximately 94% of the Group’s ETD revenue. Our ETD business also includes Spectrum, the Group’s European multi-lateral trading facility.

tastytrade total revenue increased 23% in the year in US Dollars, reflecting trading revenue up 10% and interest income up 53%. Stronger trading revenue was driven by increased revenue per client. Average market share of OCC options volumes attributable to retail customers was up modestly relative to the prior year.

Total client equity, which includes free cash and the value of open positions, reached $5.1 billion at the end of FY24, a new record. Within this, interest-bearing free cash balances were steady.

tastytrade’s performance gathered momentum throughout the year. FY24 was a record year for total revenue and trading revenue, H2 was a record half on both metrics, and Q4 was a record quarter.

Almost a third of new tastytrade accounts come from outside the US, despite no marketing historically, evidencing international demand for US options and futures. This is also reflected in client surveys which show that our existing OTC clients are interested in trading US options and futures.

During the year, we completed our preparations to launch tastytrade in the UK, which went live at the beginning of June 2024. We plan to roll the offering out to other international markets where IG already has a presence.

Spectrum revenue is driven mainly by trading activity and trading revenue declined 12% in the year. This reflected a strong Q3 in the comparative period, and a softer H1 in the current year. As a newer business, with a smaller client base, revenue can be more volatile than more mature parts of the Group which are already operating at scale. Active clients were broadly stable.

Stock trading and investments

Total revenue was up strongly reflecting higher interest income, with trading revenue broadly flat. Client numbers were down 4% but assets under administration (AUA) increased to £3.9 billion at the end of FY24 (FY23: £3.3 billion), driven by market performance.

Operational efficiency

During the year we launched an operational improvement programme and recently made changes to our organisational structure and culture. These changes will help us to bring new products to market more quickly and efficiently.

As part of the implementation of our operational improvement programme, we announced plans to reduce headcount by approximately 300 which represented around 10% of the total workforce at the end of FY23. We have made good progress implementing these changes, with headcount at 31 May 2024 of 2,570 down 8% relative to 31 October 2023, when the measures were announced. In FY24, we incurred £19.1 million of non-recurring costs to achieve these efficiency measures, in line with guidance of approximately £18 million.

We expect further savings and headcount reduction in FY25 as we focus on the offshoring of some roles to our global centres of excellence, following a period of dual running, as new teams are onboarded.

We have implemented a flatter organisational structure and moved several central functions, including marketing, product management and some technology teams, into four geographically-aligned divisions to enhance client centricity and product velocity. We have continued to optimise the way that our global centres of excellence in Poland, India and South Africa support the business and identify opportunities to automate business processes. We are also developing our culture to enhance ownership and accountability across the organisation.

In the year, we also successfully migrated our data centres to new locations, ahead of schedule.

Capital allocation

We continue to allocate capital in line with our Capital Allocation Framework.

Our first priority is ensuring that we meet our regulatory capital requirements. On 1 January 2022, the Group transitioned to the Investment Firm Prudential Regime ("IFPR"). As announced in September, following the first Supervisory Review and Evaluation Process ("SREP") under the new regime, the Group's regulatory capital requirement reduced from £497.4 million at 31 May 2023 to £289.8 million as at 31 August 2023, evidencing the high quality and strength of our risk management frameworks and controls.

As at 31 May 2024, our Group minimum regulatory capital requirement was £298.6 million (31 May 2023: £497.4 million) and regulatory capital resources totalled £936.9 million (31 May 2023: £996.3 million), equating to headroom of £638.3 million (31 May 2023: £498.9 million).

We continue to allocate 1% of post-tax profits to charitable causes. For FY24, this equates to £3.5 million which will be proposed to be donated to charities focused on empowerment through education.

A proposed final dividend of 32.64 pence per share represents a total dividend for the year of 46.2 pence per share, an increase of 1 pence on the prior year, representing a progressive and sustainable increase.

Having assessed regulatory capital headroom and alternative uses of capital, we have announced a £150 million share buyback which will start in the coming weeks and complete by 31 January 2025.

Outlook and guidance

In FY25, the Group expects total revenue and adjusted profit before tax to be in line with market expectations which can be found on the IG Group website. The Group tax rate is expected to be approximately 24%.

IG has solid positioning in large and growing target addressable markets but there is much more we can do to unlock our potential. We have to get closer to our customers to deliver better products tailored to their needs more quickly, drive efficiency and add scale in the pursuit of stronger growth.

We are also developing our culture towards greater ownership and accountability across the organisation. Delivering against these objectives will be key to growing our market leadership and achieving sustainable, stronger revenue growth.

Business Performance Review

All results are presented on a continuing operations basis which excludes items related to the sale of Nadex operations which completed in FY22 and was classified as a discontinued operation. In FY23, the Group subsequently disposed of assets related to Nadex.

The following analysis on the income statement is presented on an adjusted basis, which excludes certain one-off items and recurring non-cash items. Further detail on these adjustments and a reconciliation of alternative performance measures used in this report is contained in the appendix.

Summary Group Income Statement

£m	FY24	FY24 adjusted	FY23	FY23 adjusted	Change %	Change adjusted %
Net trading revenue	844.9	844.9	941.8	941.8	(10%)	(10%)
Net interest income	142.4	142.4	80.8	80.8	76%	76%
Total revenue	**987.3**	**987.3**	**1,022.6**	**1,022.6**	**(3%)**	**(3%)**
Betting duty and other operating income[1]	1.5	1.5	0.8	(2.5)		
Net operating income	**988.8**	**988.8**	**1,023.4**	**1,020.1**	**(3%)**	**(3%)**
Total operating costs[2,3]	(619.6)	(564.1)	(584.9)	(541.0)	6%	4%
Operating profit	**369.2**	**424.7**	**438.5**	**479.1**	**(16%)**	**(11%)**
Other net losses	(3.5)	(3.5)	(2.6)	(2.6)		
Net finance income	35.1	35.1	14.0	14.0		
Profit before tax	**400.8**	**456.3**	**449.9**	**490.5**	**(11%)**	**(7%)**
Tax expense	(93.1)	(106.0)	(86.2)	(94.0)	8%	13%
Profit after tax	**307.7**	**350.3**	**363.7**	**396.5**	**(15%)**	**(12%)**
Weighted average number of shares for the calculation of EPS (millions)	387.8	387.8	418.7	418.7	(7%)	(7%)
Basic earnings per share (pence per share)	**79.4**	**90.3**	**86.9**	**94.7**	**(9%)**	**(5%)**

[1] FY23 adjusted betting duty and other operating income excludes £3.3 million of income for the reimbursement of costs relating to the sale of Nadex
[2] Operating costs include net credit losses on financial assets
[3] FY24 adjusted operating costs exclude £55.5 million of one-off items and recurring non-cash items (FY23: £43.9 million)

Total revenue

Total revenue consists of net trading revenue and net interest income. Total revenue was £987.3 million in FY24, down 3% on FY23.

Total revenue by product

	Total revenue (£m)		
	FY24	FY23	Change %
OTC derivatives	732.6	806.3	(9%)
Exchange-traded derivatives	214.4	186.5	15%
Stock trading and investments	40.3	29.8	35%
Total revenue	**987.3**	**1,022.6**	**(3%)**

OTC derivatives total revenue was £732.6 million, down 9% reflecting softer market conditions in the period, and lower levels of client activity. Exchange-traded derivatives total revenue was £214.4 million, up 15% on the prior period. This includes tastytrade total revenue of £200.6 million, up 18%, as higher interest rates increased interest income, and net trading revenue increased 5%. Stock trading and investments total revenue was £40.3 million, up 35% on FY23, reflecting higher interest rates, while net trading revenue was flat. Non-OTC contributed total revenue of £254.7 million in FY24, up from £216.3 million in FY23.

Net trading revenue

Net trading revenue was £844.9 million, 10% lower than FY23 due to a reduction in OTC derivatives revenue.

Net trading revenue performance by product

	Net trading revenue (£m)		
	FY24	FY23	Change %
OTC derivatives	681.0	782.0	(13%)
Exchange-traded derivatives	141.1	137.1	3%
Stock trading and investments	22.8	22.7	0%
Net trading revenue	**844.9**	**941.8**	**(10%)**
Net interest income	142.4	80.8	76%
Total revenue	**987.3**	**1,022.6**	**(3%)**

	Active clients (000)			Net trading revenue per client (£)		
	FY24	FY23	Change %	FY24	FY23	Change %
OTC derivatives	179.1	189.5	(6%)	3,803	4,126	(8%)
Exchange-traded derivatives[1]	92.5	91.6	1%	1,526	1,490	2%
Stock trading and investments	86.9	90.8	(4%)	263	250	5%
Total[2]	**346.2**	**358.3**	**(3%)**			

[1] Exchange traded derivatives revenue per client calculation excludes revenue generated from the Group's US market maker in FY23.
[2] Total Group active clients have been adjusted to remove the clients who are active in more than one product category (multi-product clients) to give a unique client count. In FY24 there were 12,200 multi-product clients, compared with 13,700 in FY23.

	First trades (000)		
	FY24	FY23	Change %
OTC derivatives	41.1	45.5	(10%)
Exchange-traded derivatives	24.0	21.9	10%
Stock trading and investments	8.5	9.6	(12%)
Total[1]	**69.9**	**72.6**	**(4%)**

[1] Total Group first trades have been adjusted to remove the clients who traded in more than one product category to give a unique first trade count.

OTC derivatives

OTC derivatives net trading revenue of £681.0 million was down 13%, reflecting a reduction in client activity, with active clients declining 6% on FY23 and average revenue per client down 8%. The reduction in active clients was observed in Q1, with clients remaining stable since. Lower demand in the market resulted in first trades reducing by 10% on FY23.

OTC derivatives trading revenue declined year-on-year in all geographies, with the exception of Singapore, where trading revenue of £72.1 million increased 6%, reflecting an increase in trading from our larger clients. Average revenue per client increased 31%, offsetting a 20% reduction in active clients.

UK and EU trading revenue was £342.5 million, down 14%. Within this, active clients declined 7% year-on-year and revenue per client was down 8%.

Australia OTC derivatives net trading revenue of £80.9 million decreased 15%, reflecting lower active clients and revenue per client, down 5% and 10% respectively.

Japan OTC derivatives net trading revenue was £78.5 million, down 21% against the record FY23 performance. Active clients were down 2% and revenue per client was down 19%.

US OTC derivatives net trading revenue decreased 19% as net trading revenue per client declined 22% year-on-year, while active client numbers were up 4%.

Exchange-traded derivatives

Net trading revenue from exchange-traded derivatives was £141.1 million, up 3% on FY23.

In US Dollars, tastytrade's net trading revenue was up 10% year-on-year to $160.1 million. In reporting currency, tastytrade's net trading revenue in FY24 was £127.4 million, up 5% on the prior year. Active clients increased by 1%, while revenue per client increased 4%. First trades in the period increased by 10% on FY23.

Spectrum's net trading revenue was £13.8 million, 12% lower than FY23. Active clients increased by 1%, with average trading revenue per client down 13%. First trades in the period increased 10% on FY23.

Stock trading and investments

Net trading revenue from stock trading and investments was £22.8 million, in line with FY23. Active clients reduced by 4% on the prior period while average revenue per client increased by 5%. Assets under administration increased to £3.9 billion at the end of FY24, up from £3.3 billion at the end of FY23. First trades were down 12% on FY23.

Net interest income

Net interest income on client balances in FY24 was £142.4 million, up 76% on the prior year total of £80.8 million as interest rates remained elevated. Interest income represented 14% of total revenue, increasing from 8% in FY23, reflecting the consistently high interest rates across the period and significant client balances.

In our US businesses, client cash balances at the end of the period were $1.9 billion (31 May 2023: $1.9 billion). This contributed £75.6 million of interest income (FY23: £50.4 million).

Outside the US, client balances of £2.7 billion were in line with prior year (31 May 2023: £2.7 billion). This included £380.3 million of qualifying money market funds (31 May 2023: nil) for which the interest is recognised in net interest income and £430.5 million of client funds on the balance sheet (31 May 2023: £420.4 million) for which the interest is recognised within net finance income. Interest income earned on the segregated client money balance and money market funds was £66.8 million compared with £30.4 million in FY23.

Adjusted operating costs

Adjusted operating costs exclude £55.5 million of one-off items (FY23: £43.9 million) and recurring non-cash items in order to present a more accurate view of underlying performance. A reconciliation of alternative performance measures used in this report is shown in the appendix. Adjusted operating costs for FY24 were £564.1 million, 4% higher than FY23.

Adjusted operating costs

£m	FY24	FY23	Change %
Fixed remuneration	199.1	188.5	6%
Advertising and marketing	83.1	93.5	(11%)
Revenue related costs	57.5	47.9	20%
IT, structural market data and communications	51.5	42.5	21%
Depreciation and amortisation	44.5	29.6	50%
Legal and professional	31.9	25.9	24%
Other costs	50.4	63.1	(20%)
Variable remuneration	46.1	50.0	(8%)
Total operating costs	**564.1**	**541.0**	**4%**
Headcount – average	**2,695**	**2,616**	**3%**
Headcount – year end	**2,570**	**2,672**	**(4%)**

FY24 fixed remuneration was £199.1 million, up 6% on FY23. This reflects inflationary salary increases, a 3% increase in average headcount across the period as we continued to invest in the Group’s strategic and incubator projects, and a reduction in the capitalisation of salary costs in year, which decreased £3 million on FY23. Following the launch of the operational efficiency programme in October 2023, headcount reduced in H2, with year-end headcount of 2,570, down 4% on FY23 (FY23: 2,672).

Advertising and marketing spend in the year was £83.1 million, a decrease of 11% as acquisition spend was scaled back in line with lower market demand. Further savings were realised as a result of more targeted resource allocation to enhance marketing return on investment.

Revenue related costs include market data charges, client payment charges, provisions for client and counterparty credit losses and brokerage trading fees. Revenue related costs increased by 20% to £57.5 million, due to higher client and counterparty credit losses (increasing to £15.5 million, from £1.1 million in FY23). This was due to an isolated provision for debts arising from a small number of professional clients. All other costs in this category decreased year-on-year, reflecting lower levels of client activity.

IT maintenance, structural market data charges, and communications costs were £51.5 million, increasing 21% on FY23, reflecting ongoing investment in technology including security enhancements, deployment of our cloud strategy and projects to support future growth. Inflationary pressures on contract renewals also increased costs in this category.

Depreciation and amortisation increased by £14.9 million to £44.5 million in FY24. Our organisational restructure led to a reprioritisation of certain investment and development activities. As a result, the remaining value of the dailyfx.com domain name has been impaired and certain intangible work in progress has been derecognised leading to non-recurring costs of £11.1 million. The increase also reflects the full year impact of the Small Exchange, Inc. intangible assets acquired in March of FY23 and an increase in capital expenditure and internal development in prior periods to support operational projects, including the data centre migration.

Legal and professional fees were £31.9 million, an increase of 24%, reflecting higher costs in relation to strategic and operational projects and ongoing litigation.

Other costs, which include travel and entertainment, regulatory fees and irrecoverable VAT, decreased by 20% to £50.4 million, reflecting a reduction in irrecoverable VAT, regulatory fees, and lower staff-related costs.

Variable remuneration of £46.1 million includes the general bonus accrual, share schemes and sales bonuses. The charge for the general bonus pool was £21.8 million, down 21% reflecting the Group's performance against internal targets relative to the comparative period. Share scheme costs, which relate to long-term incentive plans for senior management, increased by 12% to £18.8 million (FY23: £16.8 million) including one-off acceleration of charges for outgoing executives' share awards.

Net finance income

Net finance income in the period was £35.1 million, up from £14.0 million in FY23. Within this, finance income was £59.9 million (FY23: £30.2 million), partly offset by finance costs of £24.8 million (FY23: £16.2 million). Group finance costs are largely fixed, however finance income, which reflects the interest earned on corporate balances including client funds on balance sheet, benefitted from higher interest rates.

Profit before tax

Profit before tax was £456.3 million on an adjusted basis, down 7% (FY23: £490.5 million).

Taxation

The adjusted tax expense of £106.0 million (FY23: £94.0 million) is higher than the prior year, despite lower profit before tax, due to the increase in the effective tax rate from 19.2% in FY23 to 23.2% in FY24 reflecting the increase in the UK Corporate Tax rate from 19% to 25% on 1 April 2023.

The effective tax rate continues to be lower than the main rate of UK Corporate Tax as a result of lower tax rates in overseas jurisdictions where the Group operates and through the Group's use of standard tax incentives in line with its tax strategy which is available on the IG Group website.

The Group is not expected to be significantly impacted by the implementation of a global minimum effective tax rate of 15%. The effective tax rate will continue to be sensitive to several factors, including taxable profit by geography, tax rates levied in those geographies, and the availability and use of tax incentives and tax losses.

Earnings Per Share

Basic earnings per share reduced to 90.3 pence (FY23: 94.7 pence) on an adjusted basis. This was due to a reduction in adjusted profit after tax of 12%, which was offset by a lower weighted average number of shares, reducing from 418.7 million shares in FY23 to 387.8 million shares in FY24, as a result of the ongoing share buyback.

Return of shareholder funds

In line with the Capital Allocation Framework, for FY24 the Board has recommended a progressive final dividend per share of 32.64 pence (FY23: 31.94 pence). This will be paid on 17 October 2024, following approval at the Company's Annual General Meeting, to those shareholders on the register at the close of business on 20 September 2024. This represents a total FY24 dividend of 46.20 pence per share (FY23: 45.20 pence).

During FY24, the Group has also repurchased 35,727,693 shares for total consideration of £247.5 million (including related costs of £4.0 million) as part of the approved share buyback programme.

Summary Group Balance Sheet

The Group continues to operate with a strong and liquid balance sheet, with net assets at 31 May 2024 of £1,889.5 million (31 May 2023: £2,014.6 million). The balance sheet is presented on a management basis which reflects the Group's use of alternative performance measures to monitor its financial position. A reconciliation of these alternative performance measures to the corresponding UK-adopted International Accounting Standards balances is shown in the Appendix.

£m	31 May 2024	31 May 2023	Change %
Goodwill	599.0	611.0	(2%)
Intangible assets	216.6	276.5	(22%)
Property, plant and equipment[1]	20.3	17.6	15%
Operating lease net liabilities	(2.3)	(2.2)	5%
Other investments	1.8	1.2	50%
Investments in associates	9.9	12.5	(21%)
Fixed assets	**845.3**	**916.6**	**(8%)**
Cash[2]	912.3	795.2	15%
Net amounts due from brokers	783.1	825.3	(5%)
Own funds in client money	47.3	75.1	(37%)
Financial investments	115.7	234.1	(51%)
Liquid assets	**1,858.4**	**1,929.7**	**(4%)**
Issued debt	(299.5)	(299.3)	-
Client funds held on balance sheet	(430.5)	(420.4)	2%
Turbo warrants	(4.5)	(2.7)	67%
Own funds	**1,123.9**	**1,207.3**	**(7%)**
Working capital	(55.2)	(74.4)	(26%)
Net tax receivable	2.2	2.7	(16%)
Net deferred income tax liability	(26.7)	(37.6)	(29%)
Net assets	**1,889.5**	**2,014.6**	**(6%)**

[1] Excludes right-of-use assets
[2] As per the Consolidated Statement of Cash Flows

The Group continues to be highly cash generative, with £360.0 million (FY23: £221.4 million) generated from operations. For management purposes the Group measures the strength of its liquidity position using an own funds measure rather than cash, which is a combination of assets held by the Group, which already are, or can be deployed to meet its liquidity requirements, less restricted cash or amounts payable to clients. This broader measure is a more stable metric to assess the Group's liquidity position.

The Group saw a decline of £71.3 million in the carrying value of its fixed assets in the period. Most of the Group's intangible assets, including goodwill, are US Dollar assets and foreign exchange movements resulted in a fall in the value of fixed assets by £16.5 million. There was also continued amortisation of intangible assets associated with the tastytrade acquisition of £31.3 million and depreciation of the Group's tangible assets of £18.9 million. Organisational changes during FY24 which included allocating technology and marketing resources from central teams into divisional teams, resulted in a reprioritisation of internal development activities, and the derecognition of £3.1 million intangible work in progress. The decision to discontinue investment in the dailyfx.com website led to an £8.1 million impairment of the domain name.

The impact on net assets of the fall in value of fixed assets and own funds was offset by a £19.2 million decrease in working capital requirements and a £10.4 million fall in current and deferred tax liabilities. Working capital requirements at 31 May 2024 were lower than at 31 May 2023 due to a lower bonus reflecting the Group's performance for the year, and higher interest receivable on Group cash balances due to continued higher interest rates. Current and deferred tax liabilities have reduced predominately from the unwinding of a deferred tax liability which was recognised upon the acquisition of tastytrade.

The Group's own funds decreased by £83.4 million during FY24 due to a £71.3 million decrease in liquid assets and a £10.1 million increase in client funds on balance sheet. The ongoing share buyback continues to be a key driver in the reduction of the Group's own funds balance. The Group made cash payments of £245.6 million (FY23: £175.2 million) to acquire and cancel shares in the period.

£m (unless stated)	**FY24**	**FY23**
Own funds generated from operations	**453.0**	**467.5**
As a percentage of operating profit	123%	107%
Income taxes paid	(102.9)	(116.6)
Net own funds generated from operations	**350.1**	**350.9**
Net own funds generated from/(used in) investing activities	**11.9**	**(18.8)**
Purchase of own shares held in Employee Benefit Trust	(13.3)	(14.6)
Payments made for share buyback	(245.6)	(175.2)
Equity dividends paid to owners of the parent	(178.3)	(188.1)
Net own funds (used in) financing activities	**(437.2)**	**(377.9)**
Decrease in own funds	**(75.2)**	**(45.8)**
Own funds at the start of the period	**1,207.3**	**1,253.8**
Decrease in own funds	(75.2)	(45.8)
Impact of movement in foreign exchange rates	(8.2)	(0.7)
Own funds at the end of the period	**1,123.9**	**1,207.3**

Liquidity

The Group maintains a strong liquidity position, ensuring sufficient liquidity under both normal circumstances and stressed conditions to meet its liquidity requirements. These liquidity requirements include broker margin, regulatory liquidity and working capital needs of its subsidiaries, and the funding of adequate buffers in segregated client money accounts.

£m	31 May 2024	31 May 2023	Change %
Liquid assets	**1,858.4**	**1,929.7**	**(4%)**
Broker margin requirement	(677.7)	(678.2)	-
Cash balances in non-UK subsidiaries	(381.1)	(383.5)	(1%)
Own funds in client money	(47.3)	(75.1)	(37%)
Available liquidity	**752.3**	**792.9**	**(5%)**

Available liquidity is a measure of the Group's ability to meet additional liquidity requirements at short notice, typically increases in broker margin. Balances such as non-UK cash balances and own funds in client money are excluded from this measure as these cannot be immediately allocated.

The Group optimises its liquidity position by centralising funds within the UK, where the majority of market risk resides. This ensures sufficient liquidity can be deployed as required. The Group continually reviews and optimises the return on deploying this liquidity, through fixed income instruments, money market funds and bank deposits. Significant time has been invested into developing strong banking relationships to ensure competitive interest rates on bank deposits.

The Group's available liquidity is supported by its strong and diverse funding profile. This includes £328.7 million of liquidity through title transfer arrangements. The Group has a £400.0 million revolving credit facility and a £250.0 million committed repo facility providing the ability to quickly and efficiently convert financial investments into cash.

The Group's funding profile is further supported by its £1.0 billion Euro Medium-Term Note programme, from which it has £300.0 million notes in issue, maturing November 2028. The Group maintains an active dialogue with a variety of debt stakeholders, leading to the Group's long-term credit rating from Fitch being placed on positive outlook in September 2023.

In addition to the cash recognised on the balance sheet, as at 31 May 2024, the Group held £2,282.6 million (31 May 2023: £2,303.9 million) of client money in segregated bank accounts and qualifying money market funds, which are held separately from the Group's own cash balances. Client balances are excluded from both the Group's balance sheet and liquid assets as the Group does not have control over these balances.

Regulatory capital

The Group is supervised on a consolidated basis by the UK's Financial Conduct Authority (FCA), which requires it to hold sufficient regulatory capital at both Group and in its UK-regulated entities to cover risk exposures. The Group's capital headroom was £638.3 million (31 May 2023: £498.9 million).

£m	31 May 2024	31 May 2023
Shareholders' funds	**1,889.5**	**2,014.6**
Less foreseeable / declared dividends	(118.0)	(127.6)
Less remaining share buyback	(29.7)	(22.5)
Less goodwill and intangible assets	(767.3)	(829.9)
Less deferred tax assets	(24.6)	(23.2)
Less significant investments in financial sector entities	(11.7)	(13.7)
Less value adjustment for prudent valuation	(1.3)	(1.4)
Regulatory capital resources	**936.9**	**996.3**
Total requirement	**298.6**	**497.4**
Headroom above minimum capital requirement	**638.3**	**498.9**

The Group’s regulatory capital resources, which totalled £936.9 million at 31 May 2024 (31 May 2023: £996.3 million) are an adjusted measure of shareholders’ funds. Shareholders’ funds comprise share capital, share premium, retained earnings, translation reserve, merger reserve and other reserves.

The Group’s regulatory capital requirement as at 31 May 2024 was £298.6 million (31 May 2023: £497.4 million), which has reduced significantly compared to the previous year. The FCA completed its Supervisory Review and Evaluation Process during the year and the outcome was a reduction in the overall regulatory capital requirement. This reduction reflects the removal of the transitional Individual Capital Guidance, and regulatory capital is now based on the Group’s own assessment of capital requirements which varies daily with our internal risk assessment.

The main factors which drive the Group’s internal risk assessment are market, credit and operational risks. Credit risks include potential client debts in the event of a sudden market move as well as exposure to hedging counterparties and banking counterparties should one or more of them default. Operational risk covers a wide range of potentially severe events, from a ransomware attack to a manual error when entering a trade on the dealing system. Market risk varies on a daily basis since the Group is counterparty to a high volumes of trades from clients around the world and positions are changing constantly. The largest daily movement in capital requirements during FY24 was £32.6 million.

The Group also has regulated entities in overseas jurisdictions which are subject to the rules set by other regulators. These regulations are calculated on a different basis to the FCA regulations and may result in incremental capital requirements or the holding of additional buffers.

Consolidated Income Statement

for the year ended 31 May 2024

	Note	**Year ended 31 May 2024 £m**	Year ended 31 May 2023 £m
Continuing operations			
Trading revenue		852.4	949.7
Introducing partner commissions		(7.5)	(7.9)
Net trading revenue	2	**844.9**	941.8
Betting duty and financial transaction taxes		(5.3)	(10.4)
Interest income on client funds		145.7	81.8
Interest expense on client funds		(3.3)	(1.0)
Other operating income		6.8	11.2
Net operating income		**988.8**	1,023.4
Operating costs		(604.1)	(583.8)
Net credit losses on financial assets		(15.5)	(1.1)
Operating profit		**369.2**	438.5
Finance income		59.9	30.2
Finance costs		(24.8)	(16.2)
Share of loss after tax from associates		(2.4)	(2.6)
Fair value loss on financial investments reclassified on disposal		(1.1)	-
Profit before tax		**400.8**	449.9
Tax expense	3	(93.1)	(86.2)
Profit for the year from continuing operations		**307.7**	363.7
Profit for the year from discontinued operations		-	1.3
Profit for the year attributable to owners of the parent		**307.7**	365.0

Earnings per ordinary share for profit from continuing operations attributable to owners of the parent:			
Basic	4	**79.4p**	86.9p
Diluted	4	**78.4p**	86.1p
Earnings per ordinary share for profit attributable to owners of the parent:			
Basic	4	**79.4p**	87.2p
Diluted	4	**78.4p**	86.4p

Consolidated Statement of Comprehensive Income

for the year ended 31 May 2024

	Year ended 31 May 2024		Year ended 31 May 2023	
	£m	**£m**	£m	£m
Profit for the year		**307.7**		365.0
Other comprehensive income Items that may be subsequently reclassified to the Consolidated Income Statement: Debt instruments at fair value through other comprehensive income:				
- fair value gain/(loss), net of tax	6.9		(11.9)	
- fair value loss on financial investments reclassified to the Consolidated Income Statement on disposal	1.1		-	
Foreign currency translation (loss)/gain	(22.6)		3.2	
Other comprehensive (expense) for the year, net of tax		**(14.6)**		(8.7)
Total comprehensive income for the year		**293.1**		356.3
Total comprehensive income attributable to owners of the parent arising from:				
Continuing operations		293.1		355.0
Discontinued operations		-		1.3
		293.1		356.3

Consolidated Statement of Financial Position

as at 31 May 2024

	Note	**31 May 2024** **£m**	31 May 2023 £m
Assets			
Non-current assets			
Goodwill	6	599.0	611.0
Intangible assets		216.6	276.5
Property, plant and equipment		41.8	36.1
Financial investments	7	351.4	379.6
Investment in associates		9.9	12.5
Other investments		1.8	1.2
Prepayments		5.4	0.3
Deferred tax assets	3	24.6	23.2
		1,250.5	1,340.4
Current assets			
Cash and cash equivalents	8	983.2	798.5
Trade receivables	9	508.3	570.4
Financial investments	7	109.3	226.8
Other assets		36.6	15.0
Prepayments		27.4	25.3
Other receivables		15.3	10.0
Income tax receivable	3	10.3	8.8
		1,690.4	1,654.8
TOTAL ASSETS		**2,940.9**	2,995.2

Consolidated Statement of Financial Position

as at 31 May 2024

	Note	**31 May 2024 £m**	31 May 2023 £m
Liabilities			
Non-current liabilities			
Debt securities in issue	10	298.1	297.6
Other payables		1.3	1.2
Lease liabilities		15.1	13.3
Deferred tax liabilities	3	51.3	60.8
		365.8	372.9
Current liabilities			
Trade payables	11	493.3	478.0
Other payables		175.5	116.2
Lease liabilities		8.7	7.4
Income tax payable	3	8.1	6.1
		685.6	607.7
TOTAL LIABILITIES		**1,051.4**	980.6

Equity			
Share capital and share premium	13	125.8	125.8
Translation reserve		98.2	120.8
Merger reserve		590.0	590.0
Other reserves	14	(22.9)	(16.9)
Retained earnings		1,098.4	1,194.9
TOTAL EQUITY		**1,889.5**	2,014.6
TOTAL EQUITY AND LIABILITIES		**2,940.9**	2,995.2

The preliminary announcement was approved by the Board of Directors on 24 July 2024 and signed on its behalf by:

Charles A. Rozes
Chief Financial Officer

Registered Company number: 04677092

Consolidated Statement of Changes in Equity

for the year ended 31 May 2024

	Note	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Total £m
At 1 June 2022		-	125.8	117.6	590.0	8.4	1,186.0	2,027.8
Profit for the year and attributable to owners of the parent		-	-	-	-	-	365.0	365.0
Other comprehensive income/(loss) for the year		-	-	3.2	-	(11.9)	-	(8.7)
Total comprehensive income/(loss) for the year		-	-	3.2	-	(11.9)	365.0	356.3
Tax recognised directly in equity on share-based payments	3	-	-	-	-	-	1.0	1.0
Equity dividends paid	5	-	-	-	-	-	(188.1)	(188.1)
Movement due to share buyback	13	-	-	-	-	(2.1)	(176.6)	(178.7)
Employee Benefit Trust purchase of own shares	14	-	-	-	-	(14.6)	-	(14.6)
Transfer of vested awards from the share-based payment reserve	14	-	-	-	-	(7.6)	7.6	-
Equity-settled employee share-based payments		-	-	-	-	13.3	-	13.3
Share-based payments converted to cash-settled liabilities	14	-	-	-	-	(2.4)	-	(2.4)
At 31 May 2023		-	125.8	120.8	590.0	(16.9)	1,194.9	2,014.6
At 1 June 2023		-	125.8	120.8	590.0	(16.9)	1,194.9	2,014.6
Profit for the year and attributable to owners of the parent		-	-	-	-	-	307.7	**307.7**
Other comprehensive income/(loss) for the year		-	-	(22.6)	-	8.0	-	**(14.6)**
Total comprehensive income/(loss) for the year		**-**	**-**	**(22.6)**	**-**	**8.0**	**307.7**	**293.1**
Tax recognised directly in equity on share-based payments	3	-	-	-	-	-	1.4	**1.4**
Equity dividends paid	5	-	-	-	-	-	(178.3)	**(178.3)**
Movement due to share buyback	13	-	-	-	-	0.6	(244.7)	**(244.1)**
Employee Benefit Trust purchase of own shares	14	-	-	-	-	(13.3)	-	**(13.3)**
Transfer of vested awards from the share-based payment reserve	14	-	-	-	-	(17.4)	17.4	**-**
Equity-settled employee share-based payments		-	-	-	-	16.7	-	**16.7**
Share-based payments converted to cash settled liabilities	14	-	-	-	-	(0.6)	-	**(0.6)**
At 31 May 2024		**-**	**125.8**	**98.2**	**590.0**	**(22.9)**	**1,098.4**	**1,889.5**

Consolidated Statement of Cash Flows

for the year ended 31 May 2024

	Note	**Year ended 31 May 2024 £m**	Year ended 31 May 2023 Restated[1] £m
Operating activities			
Cash generated from operations[2]		360.0	221.4
Interest received on client funds		142.7	75.8
Interest paid on client funds		(2.8)	(1.0)
Income taxes paid		(102.9)	(116.6)
Net cash flows generated from operating activities		**397.0**	179.6
Investing activities			
Interest received		50.6	25.6
Purchase of property, plant and equipment		(15.2)	(11.6)
Payments to acquire and develop intangible assets		(2.3)	(14.6)
Net proceeds from disposal of subsidiaries		-	1.8
Net proceeds from disposal of investments in associates		-	0.2
Proceeds from sale of financial investments		251.8	251.7
Payments for purchase of financial investments		(89.9)	(477.5)
Net cash flow on acquisition of subsidiaries		-	(4.8)
Net cash flow on acquisition of other investments		(0.6)	-
Net cash flows generated from/(used in) investing activities		**194.4**	(229.2)
Financing activities			
Interest paid		(18.0)	(12.2)
Financing fees paid		(3.2)	(3.2)
Interest paid on lease liabilities		(1.3)	(0.5)
Repayment of principal element of lease liabilities		(6.6)	(7.1)
Payments made for share buyback		(245.6)	(175.2)
Equity dividends paid to owners of the parent	5	(178.3)	(188.1)
Purchase of own shares held in Employee Benefit Trust		(13.3)	(14.6)
Net cash flows (used in) financing activities		**(466.3)**	(400.9)
Net increase/(decrease) in cash and cash equivalents		125.1	(450.5)
Cash and cash equivalents at the beginning of the year		795.2	1,246.4
Impact of movement in foreign exchange rates		(8.0)	(0.7)
Cash and cash equivalents at the end of the year	8	**912.3**	795.2

[1] Refer to note 1 for further information

[2] Cash generated from operations includes cash generated from both continuing and discontinued operations and excludes net interest on client funds.

1. Basis of preparation

The financial information in this announcement is derived from IG Group Holdings plc's Group Financial Statements but does not, within the meaning of Section 435 of the Companies Act 2006, constitute statutory accounts for the years ended 31 May 2024 or 31 May 2023.

Although the financial information has been prepared in accordance with the recognition and measurement criteria of UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 (UK IAS), this preliminary statement does not itself contain sufficient information to comply with UK IAS and the applicable legal requirements of the Companies Act 2006. The Group will publish its Annual Report and Financial Statements for the year ended 31 May 2024 in August 2024 and these will be delivered to the Registrar of Companies following the Company's Annual General Meeting on 18 September 2024.

The Group's auditors, PricewaterhouseCoopers LLP, have reported on those Financial Statements and the report was unqualified, did not emphasise any matters nor contained any statements under Section 498(2) or (3) of the Companies Act 2006.

Copies of full Financial Statements will be available via the Group's corporate website at www.iggroup.com in August 2024. Copies will also be available for posting to all shareholders upon request from the Group's Headquarters, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA.

The Financial Statements are prepared on a going concern basis and are consistent with the Group's 2023 Annual Report.

There were no new standards, amendments or interpretations issued and made effective during the current year which have had a material impact on the Group.

Restatement of comparatives

Proceeds from sale of financial investments of £251.8 million (31 May 2023: £251.7 million) and payments for purchase of financial investments of £89.9 million (31 May 2023: £477.5 million) were presented on a net basis in prior year. However, in the current year these balances have been presented as separate line items in the Consolidated Statement of Cash Flows, in accordance with requirements of IAS 7 - Statement of Cash Flow. To ensure consistency with the current year, comparative figures have also been presented separately.

2. Segmental analysis

The Executive Directors are the Group's Chief Operating Decision Maker (CODM). Management has determined the reportable segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The Group manages market risk and a number of other activities on a Group-wide portfolio basis and accordingly a large proportion of costs are incurred centrally. These central costs are not allocated to individual segments for decision-making purposes for the CODM, and, accordingly, these costs have not been allocated to segments. Additionally, the Group's assets and liabilities are not allocated to individual segments and not reported as such for decision making purposes to the CODM. Therefore, the segmental analysis does not include a measure of profitability, nor a complete segmented balance sheet, as this would not reflect the information which is received by the CODM on a regular basis.

The CODM are presented a view of total revenue split by product. Total revenue is an alternative performance measure which comprises net trading revenue and net interest on client funds.

Total revenue by reportable segment

Net trading revenue represents trading revenue that is generated from clients trading activities after deducting introducing partner commissions. Net interest on clients funds represents interest earned on client money balances after deducting interest paid to clients. These two amounts collectively make up total revenue. The CODM uses total revenue as the primary measure of performance of the segments. The CODM considers business performance from a product perspective, split into OTC derivatives, exchange-traded derivatives, stock trading and investments and net interest on clients funds. The products shown in the segmental analysis are aggregated where these products are economically similar in nature.

2. Segmental analysis (continued)

The segmental breakdown of total revenue is as follows:

	Year ended 31 May 2024 £m	Year ended 31 May 2023 £m
OTC derivatives	681.0	782.0
Exchange-traded derivatives	141.1	137.1
Stock trading and investments	22.8	22.7
Net trading revenue	**844.9**	941.8
Net interest on client funds	142.4	80.8
Total revenue	**987.3**	1,022.6

The CODM also considers business performance based on geographical location. This geographical split reflects the location of the office that manages the underlying client relationship.

	Year ended 31 May 2024 £m	Year ended 31 May 2023 £m
Net trading revenue by geography:		
UK	280.3	322.0
Australia	84.7	99.8
Japan	78.5	99.3
Singapore	72.4	68.8
EMEA Non-EU	47.8	55.3
Emerging markets	36.7	39.5
UK, APAC & Emerging markets	**600.4**	648.7
US	143.2	140.9
EU	101.3	116.2
Net trading revenue	**844.9**	941.8
Net interest on client funds – US	75.6	50.4
Net interest on client funds – Other	66.8	30.4
Total revenue	**987.3**	1,022.6

The Group does not derive more than 10% of revenue from any one single client.

The segmental breakdown of non-current assets excluding financial investments, other investments and deferred tax assets, based on geographical location is as follows:

	Year ended 31 May 2024 £m	Year ended 31 May 2023 £m
US	716.5	770.7
UK	133.3	152.6
EMEA Non-EU	9.1	4.7
EU	8.0	5.7
Japan	2.4	1.9
Australia	2.3	0.4
Singapore	1.1	0.3
Emerging markets	-	0.1
Total non-current assets	**872.7**	936.4

3. Taxation

Tax on profit on ordinary activities
Tax charged in the Consolidated Income Statement:

	Year ended 31 May 2024 £m	Year ended 31 May 2023 £m
Current income tax:		
UK corporation tax	68.9	75.1
Non-UK corporation tax	34.6	24.3
Adjustment in respect of prior years	2.0	(6.1)
Total current income tax	**105.5**	93.3
Deferred income tax:		
Origination and reversal of temporary differences	(8.4)	(7.4)
Adjustment in respect of prior years	(2.8)	0.8
Impact of change in tax rates on deferred tax balances	(1.2)	(0.1)
Total deferred income tax	**(12.4)**	(6.7)
Total tax expense	**93.1**	86.6
Tax expense attributable to:		
Continuing operations	93.1	86.2
Discontinued operations	-	0.4
Tax expense not charged to Consolidated Income Statement:		
Tax recognised in other comprehensive expense	2.2	(6.2)
Tax recognised directly in equity	(1.4)	(1.0)

Reconciliation of the total tax expense
The standard UK corporation tax rate for the year ended 31 May 2024 is 25.0% (31 May 2023: 20.0%). Taxation outside the UK is calculated at the rates prevailing in the relevant jurisdictions. The tax expense in the Consolidated Income Statement for the year can be reconciled as set out below:

	Year ended 31 May 2024 £m	Year ended 31 May 2023 £m
Profit before taxation		
From continuing operations	400.8	449.9
From discontinued operations	-	1.7
Total profit before tax	**400.8**	451.6
Profit before tax multiplied by the UK standard rate of corporation tax of 25.0% (31 May 2023: 20.0%)	100.2	90.3
Expenses not deductible for tax purposes	3.0	1.6
Current year losses not recognised as deferred tax assets	1.2	0.3
Adjustment in respect of prior years	0.3	(5.3)
Patent Box deduction	(7.0)	(3.2)
Recognition and utilisation of losses previously not recognised	(2.8)	(0.4)
Impact of change in tax rates on deferred tax balances	(1.2)	(0.1)
Impact of overseas tax rates	(0.6)	3.4
Total tax expense attributable to:	**93.1**	86.6
Continuing operations	93.1	86.2
Discontinued operations	-	0.4

3. Taxation (continued)

The effective tax rate for the year is 23.2% (31 May 2023: 19.2%).

The deferred tax assets and liabilities have been assessed at the tax rates that are expected to apply when the related asset is realised or liability settled.

Deferred income tax assets

	31 May 2024	31 May 2023
	£m	£m
Tax losses available for offset against future profits	4.5	3.8
Temporary differences arising on share-based payments	4.4	4.8
Temporary differences arising on fixed assets	-	1.1
Other temporary differences	15.7	13.5
	24.6	23.2

Deferred income tax liabilities

	31 May 2024	31 May 2023
	£m	£m
Temporary differences arising on business combinations	(47.8)	(57.6)
Temporary differences arising on fixed assets	(1.3)	(0.2)
Other temporary differences	(2.2)	(3.0)
	(51.3)	(60.8)

Deferred income tax recovery

	31 May 2024	31 May 2023
	£m	£m
Deferred tax assets to be recovered within 12 months	9.8	4.4
Deferred tax assets to be recovered after 12 months	14.8	18.8
	24.6	23.2

Deferred income tax settlement

	31 May 2024	31 May 2023
	£m	£m
Deferred tax liabilities to be settled within 12 months	(8.4)	(7.4)
Deferred tax liabilities to be settled after 12 months	(42.9)	(53.4)
	(51.3)	(60.8)

The recognised deferred tax asset reflects the extent to which it is considered probable that future taxable profits can be offset against the tax losses carried forward.

Share-based payment awards have been charged to the Consolidated Income Statement but are not allowable as a tax deduction until the awards are exercised. The excess of the expected tax relief in future years over the amount charged to the income statement is recognised as a credit directly to equity.

3. Taxation (continued)

Unrecognised deferred tax assets

	31 May 2024			31 May 2023		
	Gross unrecognised losses for tax purposes	**Tax value of loss**	**Expiry date**	Gross unrecognised losses for tax purposes	Tax value of loss	Expiry date
	£m	**£m**		£m	£m	
Overseas trading losses	6.0	1.4	N/A	16.1	4.1	N/A
UK capital losses	23.5	5.9	N/A	23.5	5.9	N/A
	29.5	**7.3**		39.6	10.0	

The Group has an unrecognised deferred tax asset of £7.3 million (31 May 2023: £10.0 million) in respect of prior and current year losses, the recoverability of which is dependent on sufficient taxable profits of the entities.

The movement in the deferred income tax assets included in the Consolidated Statement of Financial Position is as follows:

	Year ended 31 May 2024	Year ended 31 May 2023
	£m	£m
At the beginning of the year	23.2	17.5
Tax credited/(charged) to the Income Statement	4.5	(0.3)
Tax (charged)/credited to other comprehensive expense	(2.2)	6.2
Tax credited directly to equity	0.1	0.6
Impact of movements in foreign exchange rates	0.1	-
Reallocations between deferred tax assets and liabilities	(1.1)	(0.8)
At the end of the year	**24.6**	23.2

The movement in the deferred income tax liability included in the Consolidated Statement of Financial Position is as follows:

	Year ended 31 May 2024	Year ended 31 May 2023
	£m	£m
At the beginning of the year	(60.8)	(67.2)
Amounts arising on acquisitions in the year	-	(0.6)
Tax credited to the income statement	7.9	7.0
Impact of movements in foreign exchange rates	0.5	(0.8)
Reallocations between deferred tax assets and liabilities	1.1	0.8
At the end of the year	**(51.3)**	(60.8)

Factors affecting the tax charge in future years

Factors that may affect the Group's future tax charge include the geographic location of the Group's earnings, the tax rates in those locations, changes in tax legislation, the recognition of previously unrecognised tax losses and the resolution of open tax issues. The Group's future tax charge may also be impacted by changes in the Group's business activities, client composition and regulatory status, which could impact the Group's exemption from the UK Bank Corporation Tax Surcharge.

The calculation of the Group's total tax charge involves a degree of estimation and judgement with respect to the recognition of deferred tax assets, which are dependent on the Group's estimation of future profitable income, transfer pricing and of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. The Group operates in a number of jurisdictions worldwide, and tax laws in those jurisdictions are themselves subject to change.

3. Taxation (continued)

The OECD Pillar 2 global minimum tax rules come into force for the Group from 1 June 2024. The tax footprint of the Group is such that the Pillar 2 rules are not expected to have a material impact on the Group's tax charge as there is currently insignificant activity in low tax jurisdictions. The Group has applied the exception under IAS 12 - Income taxes to recognising and disclosing information about deferred taxes related to Pillar 2 and therefore, there was no impact on the recognition and measurement of deferred tax balances as a result of the legislation being substantively enacted.

The Group determines its tax liability by taking into account its tax risks and it makes provision for those matters where it is probable that a tax liability will arise. Tax payable may ultimately be materially more or less than the amount already accounted for.

4. Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year, excluding shares held as own shares in the Group's Employee Benefit Trusts. Diluted earnings per ordinary share is calculated using the same profit figure as used in basic earnings per ordinary share and by adjusting the weighted average number of ordinary shares assuming the vesting of all outstanding share scheme awards.

	Year ended 31 May 2024	Year ended 31 May 2023
Profit attributable to owners of the parent (£m)	**307.7**	365.0
Weighted average number of shares:		
Basic	387,771,781	418,693,685
Dilutive effect of share-based payments	4,648,739	3,869,357
Diluted	**392,420,520**	422,563,042

	Year ended 31 May 2024	Year ended 31 May 2023
Basic earning per ordinary share	**79.4p**	87.2p
- Attributable to continuing operations	**79.4p**	86.9p
- Attributable to discontinued operations	**0.0p**	0.3p
Diluted earning per ordinary share	**78.4p**	86.4p
- Attributable to continuing operations	**78.4p**	86.1p
- Attributable to discontinued operations	**0.0p**	0.3p

5. Dividends paid and proposed

	Year ended 31 May 2024	Year ended 31 May 2023
	£m	£m
Final dividend for FY23 at 31.94 pence per share (FY22: 31.24p)	126.7	133.2
Interim dividend for FY24 at 13.56 pence per share (FY23: 13.26p)	51.6	54.9
	178.3	188.1

A final dividend for the year ended 31 May 2024 of 32.64 pence per share was approved by the Board on 24 July 2024 and has not been included as a liability at 31 May 2024. This dividend will be paid on 17 October 2024, following approval at the Company's Annual General Meeting (AGM), to those members on the register at the close of business on 20 September 2024.

6. Goodwill

The movement in the goodwill balance for the year is as follows:

	31 May 2024	31 May 2023
	£m	£m
At the beginning of the year	611.0	604.7
Impact of foreign exchange movement	(12.0)	6.3
At the end of the year	**599.0**	611.0

Goodwill has been allocated for impairment testing purposes to the CGUs as follows:

	31 May 2024	31 May 2023
	£m	£m
US	497.2	509.2
UK	100.9	100.9
South Africa	0.8	0.8
Australia	0.1	0.1
	599.0	611.0

Goodwill arose as follows:

- US – from the acquisition of tastytrade on 28 June 2021
- UK – from the reorganisation of the UK business on 5 September 2003
- South Africa – from the acquisition of Ideal CFDs on 1 September 2010
- Australia – from the acquisition of the non-controlling interest in IG Australia Pty Limited in the year ended 31 May 2006.

Impairment testing

The Group's goodwill balance has been subject to a full impairment assessment and there has not been any impairment recognised for the above CGUs (31 May 2023: £nil). For the purposes of the Group's impairment testing of goodwill, the carrying amount of each CGU is compared to the estimated recoverable amount of the relevant CGU and any deficits are considered impairments requiring recognition in the year.

The carrying amount of a CGU includes only those assets that can be attributed directly to it, or allocated on a reasonable and consistent basis.

The estimated recoverable amount for each CGU is based upon the higher of the value-in-use (VIU) and the Fair Value Less Cost of Disposal (FVLCD) for each CGU. For all CGUs, the recoverable amount was higher than the carrying value and was determined using the VIU method. The Group's largest goodwill balance is associated with the US CGU.

Key assumptions used in the calculation of the recoverable amount of the US CGU

The key assumptions for the VIU calculations are those regarding the future cash flow projections, long-term growth rate and the discount rates.

Future cash flow projections:

The future cash flow projections of seven years were based on the most recent financial forecasts considered for the US CGU. The future cash flow projections cover a period of four years, reflecting the period over which the North American Board strategically assess performance. A declining growth rate of 14.0% to 6.0% was used to extrapolate net trading revenue in the final year of the four-year forecast period for a further three years, as the US business is not expected to reach a steady state growth rate by the end of year four. The terminal value was calculated based on the seventh year.

6. Goodwill (continued)

The cash flow projections take into account historical performance, together with the Group's views on future achievable growth relating to growth of market share and increased client acquisition. Key assumptions are the projected annual growth of net trading revenue and EBITDA margin. Net trading revenue growth is driven by increasing client numbers based on assumptions relating to acquisition, conversion and retention of clients. EBITDA margin is based on net trading revenue, interest on client money and cost assumptions. Interest on client money is based on our expectation of future longer term interest rates and increases in total client money balances as the underlying client base increases during the forecasted period. Revenue related costs are forecasted to increase over the four year period, whilst operating costs such as marketing and headcount expenditure are expected to grow to support the future growth in revenue. The cash flow projections also take into account assumptions relating to working capital requirements and capital expenditure.

Long-term growth:
The long-term growth is used to extrapolate the cash flows to perpetuity for the US CGU. A long-term growth rate of 2.0% (31 May 2023: 2.0%) has been applied to derive a terminal value based on the cash flows in year seven.

Discount rates:
The discount rate used to calculate the recoverable amount of the US CGU is based on a post-tax weighted average cost of capital (WACC). The discount rate depends on a number of inputs reflecting the current market assessment of the time value of money, determined by external market information, and inputs relating to the risks associated with the cash flows which are subject to management's judgement.

A pre-tax discount rate is derived from the post-tax WACC. The pre-tax discount rate applied to the seven-year cash flow period and thereafter is 20.8% (31 May 2023: 19.6%). The year-on-year movement in the discount rate is as a result of rising interest rates and the change in the weighting between cost of equity and debt.

Sensitivity to changes in key assumptions
The recoverable amount exceeds the carrying amount of the cash-generating unit. The impact of sensitivities to reasonable changes in a single variable and the change required to reduce headroom to nil are shown in the tables below.

The VIU calculation has been subject to a sensitivity analysis reflecting reasonable changes in individual key assumptions. The below table shows the impact of reasonable changes in individual key assumptions for the cash flow period for 31 May 2024. There is sufficient headroom in the recoverable amount of the CGU based on the assumptions made.

FY24 Assumption	**Sensitivity applied**	**Reduction in recoverable amount £m**	**Impairment £m**	**Changes required to reduce headroom to nil**
Net trading revenue rate	**(5.0)%**	**(131.1)**	**nil**	**12.0% underperformance**
EBITDA margin	**(10.0)%**	**(101.2)**	**nil**	**14.4% underperformance**
Discount rates	**0.5%**	**(34.8)**	**nil**	**7.0% increase**
Long-term growth rate	**(0.5)%**	**(20.6)**	**nil**	**7.9% reduction**

FY23 Assumption	Sensitivity applied	Reduction in recoverable amount £m	Impairment £m	Changes required to reduce headroom to nil
Net trading revenue rate	(5.0)%	(104.7)	(77.7)	1.2% underperformance
EBITDA margin	(10.0)%	(85.1)	(58.1)	3.2% underperformance
Discount rates	0.5%	(29.3)	(2.3)	0.6% increase
Long-term growth rate	(0.5)%	(17.9)	nil	0.8% reduction

Key assumptions used in the calculation of the recoverable amount of CGUs excluding US
Future cash flow projections:
The Group has changed their approach to financial planning, with a shorter forecasting period being used in response to factors both driven by, and impacting, the industry. The future cash flow projections now cover a period of three years, reflecting the period over which the Group Board strategically assess performance. Projected revenue is based on assumptions relating to client acquisition and trading activity, and assumptions on interest earned on client funds. Projected costs are based on assumptions relating to revenue related costs, including trading and client transaction fees, and structural costs. Projected profitability takes into account historical performance and the Group's knowledge of the current market, together with the Group's views on the future achievable growth.

6. Goodwill (continued)

Regional long-term growth:
Regional long-term growth is used to extrapolate the cash flows to perpetuity for each CGU. After a management forecast period of three years, a long-term growth rate of 2.0% (31 May 2023: 2.0%) has been applied to the cash flows to derive a terminal value.

Discount rates:
The discount rates used to calculate the recoverable amount of each CGU are based on a post-tax WACC which is specific to each geographical region. The discount rate depends on a number of inputs reflecting the current market assessment of the time value of money, determined by external market information, and inputs relating to the risks associated with the cash flow of each individual CGU which are subject to management's judgement.

The post-tax WACC is grossed up to a pre-tax discount rate. The pre-tax discount rate applied to calculate the recoverable amount of each CGU is as follows:

	31 May 2024	31 May 2023
UK	**14.1%**	14.0%
South Africa	**19.6%**	21.0%
Australia	**15.3%**	16.0%

Sensitivity to changes in key assumptions excluding the US CGU
The VIU calculation has been subject to a sensitivity analysis reflecting reasonable changes in individual key assumptions. For all goodwill balances, there is sufficient headroom in the recoverable amount of the CGU based on the assumptions made, and there is no reasonably likely scenario under which material impairment could be expected to occur based on the testing performed.

7. Financial investments

	Year ended 31 May 2024 £m	Year ended 31 May 2023 £m
UK Government securities	**460.7**	606.4
Split as:		
Non-current portion	351.4	379.6
Current portion	109.3	226.8
	460.7	606.4

The Group held £345.0 million UK Government securities as at 31 May 2024 (31 May 2023: £372.3 million) to satisfy margin requirements.

The Group also held £139.2 million (31 May 2023: £35.0 million) of financial assets as collateral from certain brokers, which are not recognised on balance sheet.

8. Cash and cash equivalents

	31 May 2024	31 May 2023
	£m	£m
Cash at bank	622.6	627.4
Money market funds	360.6	171.1
	983.2	798.5

The Group's Swiss banking subsidiary, IG Bank S.A., is required to protect customer deposits under the FINMA Privileged Deposit Scheme. At 31 May 2024, IG Bank S.A. was required to hold £34.7 million (31 May 2023: £34.8 million) to satisfy this requirement. This amount, which represents restricted cash, is included in the cash at bank balance in the table above.

Segregated client funds and client funds invested in qualifying money market funds amounted to £2,282.6 million as at 31 May 2024 (31 May 2023: £2,303.9 million). Included within these balances is £226.2 million (31 May 2023: £232.5 million) of segregated client funds for customers of the Group's Japanese subsidiary, IG Securities Limited. Under Japanese law, the Group is liable for any credit losses suffered by clients on the segregated client money balance. The Group also holds similar balances in its German subsidiary, IG Europe GmbH, where under German law the Group is liable for credit losses suffered by clients on segregated client money balances, above the deposit protection insurance offered by the local financial regulator. The Group's exposure against these balances amounted to £158.4 million as at 31 May 2024 (31 May 2023: £95.4 million). Both these amounts are held off-balance sheet due to the Group being unable to use these client funds. The interest received on segregated client funds is included within net operating income.

Reconciliation to Consolidated Statement of Cash Flows

		31 May 2024	31 May 2023
	Note	**£m**	£m
Cash and cash equivalents as per Consolidated Statement of Financial Position		983.2	798.5
Amounts due to the Pool		(70.9)	(3.3)
Balances as per Consolidated Statement of Cash Flows		**912.3**	795.2

9. Trade receivables

	31 May 2024	31 May 2023
	£m	£m
Amounts due from brokers	456.0	486.6
Own funds in client money	49.4	79.4
Amounts due from clients	2.9	4.4
	508.3	570.4

Amounts due from brokers represent balances with brokers and execution partners where the combination of cash held on account and the valuation of financial derivative open positions, or unsettled trade receivables, results in an amount due to the Group.

Own funds in client money represent the Group's own cash held in segregated clients bank accounts, in accordance with the FCA CASS rules and similar rules of other regulators in whose jurisdiction the Group operates and includes £16.0 million (31 May 2023: £24.7 million) to be transferred to the Group on the following business day.

Amounts due from clients arise when clients' total funds held with the Group are insufficient to cover any trading losses incurred by clients, when clients utilise trading credit limits or when clients are due to pay the Group fees in relation to the services received. Amounts due from clients are presented net of an allowance for impairment.

Allowances for expected credit losses on trade receivable balances are disclosed in note 30 of the Group Annual Report.

10. Debt securities in issue

The Group issued £300.0 million 3.125% senior unsecured bonds due in 2028. The issued debt has been initially recognised at fair value less transaction fees. As at 31 May 2024, £1.4 million unamortised arrangement fees are recognised on the Consolidated Statement of Financial Position (31 May 2023: £1.7 million).

The Group also has access to a £400.0 million revolving credit facility, which increased by £25.0 million in November 2023 and a further £25.0 million in May 2024 as a result of accordions to the existing revolving credit facility. The revolving credit facility will mature in October 2026, after the Group exercised its option in October 2023 to extend the maturity for a further year.

Under the terms of the revolving credit facility agreement, the Group is required to comply with financial covenants covering maximum levels of leverage and debt to equity. The Group has complied with all covenants throughout the year.

11. Trade payables

	31 May 2024	31 May 2023
	£m	£m
Client funds		
UK	280.3	253.9
US	47.8	56.1
EU	41.7	55.4
EMEA Non-EU	53.3	49.0
Japan	6.7	4.9
Singapore	0.7	1.1
Total client funds	**430.5**	420.4
Amounts due to brokers	54.5	48.6
Issued turbo warrants	4.5	2.7
Amounts due to clients	3.8	6.3
	493.3	478.0

Client funds reflects the Group's liability for client monies which are recognised on balance sheet in cash and cash equivalents.

Amounts due to brokers represents balances where the value of unsettled positions, or the value of open derivative positions held in accounts which are not covered by an enforceable netting agreement results in an amount payable by the Group.

Amounts due to clients represents balances that will be transferred from cash and cash equivalents into segregated client funds on the following business day in accordance with the FCA CASS rules and similar rules of other regulators in whose jurisdiction the Group operates.

12. Contingent liabilities and provisions

The Group is subject to legal and regulatory risks in a number of jurisdictions which may result in legal claims or regulatory action against the Group. Through the Group's ordinary course of business there are ongoing legal proceedings and engagements with regulatory authorities. Where possible, an estimate of the potential financial impact of these legal proceedings is made using management's best estimate, but where the most likely outcome cannot be determined no provision is recognised.

The Group has ongoing litigation in respect of a class action lawsuit served against two of its operating entities in 2023. The class action covers the period from May 2017 to August 2023 and relates to the sale of OTC derivative products to retail clients in Australia. The action is at an early procedural stage and it is not possible to determine the potential outcome or to reliably estimate any potential liability, so no provision has been recognised.

The Group is also subject to a group of claims that could have a financial impact of approximately £19.4 million as at 31 May 2024 (31 May 2023: £20.5 million). The claims are for damages arising from the alleged wrongful reversal of client nickel trades on 8 March 2022. On 11 July 2024 the Group obtained a favourable ruling from the High Court of the Republic of Singapore in relation to one of the claims against the Group, totalling £13.1 million. There have been no significant developments during the year in relation to the remainder of the claims. As a result, no provision has been recognised.

12. Contingent liabilities and provisions (continued)

Under the terms of the agreement with the Group's clearing broker for its operations in the US, Apex Clearing Corporation, the Group guarantees the performance of its customers in meeting contracted obligations. In conjunction with the clearing broker, the Group seeks to control the risks associated with its customer activities by requiring customers to maintain collateral in compliance with various regulatory and internal guidelines. Compliance with the various guidelines is monitored daily and, pursuant to such guidelines, the customers may be required to deposit additional collateral, or reduce positions where necessary.

Other than stated above, the Group does not expect there to be other contingent liabilities that would have material adverse impact on the Consolidated Financial Statements. The Group had no material provisions as at 31 May 2024 (31 May 2023: £nil).

13. Share capital and share premium

	Number of shares	Share capital	Share premium account
		£m	£m
Allotted and fully paid			
(i) Ordinary shares (0.005p)			
At 1 June 2022	431,574,455	-	125.8
Shares bought back and immediately cancelled	(22,626,613)	-	-
At 31 May 2023	408,947,842	-	125.8
At 1 June 2023	408,947,842	-	125.8
Shares bought back and immediately cancelled	(35,854,101)	-	-
At 31 May 2024	**373,093,741**	**-**	**125.8**
(ii) Deferred redeemable shares (0.001p)			
At 1 June 2023	65,000	-	-
At 31 May 2024	**65,000**	**-**	**-**
(iii) Redeemable preference shares (£1.00)			
At 1 June 2023	40,000	-	-
Redemption of preference shares	(40,000)	-	-
At 31 May 2024	**-**	-	-

On 25 January 2023, the Board approved a buyback of up to £50.0 million. This commenced on 1 April 2023 and completed on 26 July 2023, with the purchase and cancellation of 3,644,714 shares made during FY24.

On 19 July 2023, the Board approved a £250.0 million buyback programme. This commenced on 2 August 2023 with a £100.0 million tranche which was completed on 30 October 2023, with the purchase and cancellation of 15,307,818 shares. The second £150.0 million tranche began on 7 November 2023 and as at 31 May 2024, 16,775,161 shares had been bought back under this tranche for a total consideration of £122.0 million.

As at 31 May 2024, the Group has repurchased 35,727,693 shares, with an aggregate nominal value of £1,786.38, for total consideration of £247.5 million (including related costs of £4.0 million). As at 31 May 2024 the Group had 66,685 shares repurchased but not cancelled.

No shares were issued in the current year. Except as the ordinary shareholders have agreed or may otherwise agree, on winding up of the Company, the balance of assets available for distribution, after the payment of all of the Company's creditors and subject to any special rights attaching to other classes of shares, are distributed among the shareholders according to the amounts paid up on shares by them.

13. Share capital and share premium (continued)

Deferred redeemable shares

These shares carry no entitlement to dividends and no voting rights.

During FY24, there have been no changes to the Group's deferred redeemable shares (31 May 2023: none).

Redeemable preference shares

The Group's preference shares were fully redeemed in December 2023, resulting in a £nil balance as at 31 May 2024 (31 May 2023: £40,000). The preference shares are no longer required as part of the Group's capital structure so approval for redemption was granted by the Board on 18 May 2023.

14. Other reserves

	Share-based payments reserve £m	Own shares held Employee Benefit Trusts £m	FVOCI reserve £m	Share buyback reserve £m	Total other reserves £m
At 1 June 2022	18.5	(6.0)	(4.1)	-	8.4
Share buyback liability	-	-	-	(2.1)	(2.1)
Employee Benefit Trust purchase of shares	-	(14.6)	-	-	(14.6)
Transfer of vested awards from share-based payment reserve	(7.6)	-	-	-	(7.6)
Equity-settled employee share-based payments	13.3	-	-	-	13.3
Exercise of employee share awards	(11.3)	11.3	-	-	-
Change in value of financial assets held at fair value through other comprehensive income	-	-	(11.9)	-	(11.9)
Share-based payments converted to cash-settled liabilities	(2.4)	-	-	-	(2.4)
At 31 May 2023	10.5	(9.3)	(16.0)	(2.1)	(16.9)
At 1 June 2023	10.5	(9.3)	(16.0)	(2.1)	**(16.9)**
Share buyback liability	-	-	-	(1.5)	**(1.5)**
Transfer of completed share buyback	-	-	-	2.1	**2.1**
Employee Benefit Trust purchase of shares	-	(13.3)	-	-	**(13.3)**
Transfer of vested awards from share-based payment reserve	(17.4)	-	-	-	**(17.4)**
Equity-settled employee share-based payments	16.7	-	-	-	**16.7**
Exercise of employee share awards	(18.1)	18.1	-	-	**-**
Change in value of financial assets held at fair value through other comprehensive income	-	-	6.9	-	**6.9**
Share-based payments converted to cash-settled liabilities	(0.6)	-	-	-	**(0.6)**
Fair value loss reclassified to Consolidated Income Statement on disposal	-	-	1.1	-	**1.1**
At 31 May 2024	**(8.9)**	**(4.5)**	**(8.0)**	**(1.5)**	**(22.9)**

The share-based payments reserve relates to the estimated cost of equity-settled employee share plans based on a straight-line basis over the vesting period. The FVOCI reserve includes unrealised gains or losses in respect of financial investments, net of tax.

The share buyback reserve relates to the amount due by the Group to the intermediary bank for the repurchase of the Group's own shares.

14. Other reserves (continued)

Own shares held in Employee Benefit Trusts

The movements in own shares held in Employee Benefit Trusts in respect of employee share plans during the year were as follows:

	Year ended 31 May 2024 Number	Year ended 31 May 2023 Number
At the beginning of the year	1,332,921	659,929
Subscribed for and purchased during the year	1,845,229	2,112,631
Exercise and sale of own shares held in trust	(2,549,838)	(1,439,639)
At the end of the year	**628,312**	1,332,921

The Group has a UK-resident Employee Benefit Trust which holds shares in the Company to satisfy awards under the Group's HMRC-approved Share incentive Plan. At 31 May 2024, 160,832 ordinary shares (31 May 2023: 147,895) were held in the Trust. The market value of the shares at 31 May 2024 was £1.3 million (31 May 2023: £1.0 million).

The Group has a Jersey-resident Employee Benefit Trust which holds shares in the Company to satisfy awards under the Long-term Incentive Plan and Sustained Performance Plan. At 31 May 2024 the Trust held 455,751 ordinary shares (31 May 2023: 1,171,960). The market value of the shares at 31 May 2024 was £3.7 million (31 May 2023: £7.9 million).

The Group has an Australian-resident Employee Equity Plan Trust which holds shares in the Company to satisfy awards under a SIP. At 31 May 2024, 11,729 ordinary shares (31 May 2023: 13,066) were held in the Trust. The market value of the shares at 31 May 2024 was £0.1 million (31 May 2023: £0.1 million).

15. Subsequent events

During the period from 1 June 2024 to 22 July 2024, the Group repurchased 2,939,818 ordinary shares with a nominal value of 0.005p for an aggregate purchase amount of £25.2 million (including related costs of £0.8 million). The total number of shares repurchased under the share buyback programme since 1 June 2023 up until 22 July 2024 amounted to 38,667,511.

On 11 July 2024, the Group obtained a favourable ruling in respect to a Group of claims. For further details refer to note 12.

There have been no other subsequent events that have a material impact on the Group's financial information.

Appendix

Property, plant and equipment excluding right-of-use asset

£m	31 May 2024	31 May 2023
Property, plant and equipment	41.8	36.1
Right-of-use assets	(21.5)	(18.5)
Property, plant and equipment[1]	**20.3**	**17.6**

[1] Excludes right-of-use assets.

Operating lease net liabilities

£m	31 May 2024	31 May 2023
Right-of-use assets	21.5	18.5
Lease liabilities (current)	(8.7)	(7.4)
Lease liabilities (non-current)	(15.1)	(13.3)
Operating lease net liabilities	**(2.3)**	**(2.2)**

Own cash

£m	31 May 2024	31 May 2023
Cash and cash equivalents	983.2	798.5
Less: Amounts due to pooling arrangement (note 8)	(70.9)	(3.3)
Own cash	**912.3**	**795.2**

Issued debt

£m	31 May 2024	31 May 2023
Debt securities in issue	(298.1)	(297.6)
Unamortised fees capitalised (note 10)	(1.4)	(1.7)
Issued debt	**(299.5)**	**(299.3)**

Net amounts due from brokers

£m	31 May 2024	31 May 2023
Financial investments – UK Government securities held at brokers (note 7)	345.0	372.3
Trade receivables - amounts due from brokers (note 9)	456.0	486.6
Trade payables - amounts due to brokers (note 11)	(54.5)	(48.6)
Other assets	36.6	15.0
Net amounts due from brokers	**783.1**	**825.3**

Financial investments

£m	31 May 2024	31 May 2023
Financial investments (note 7)	460.7	606.4
Less: Financial investments – UK Government securities held at brokers (note 7)	(345.0)	(372.3)
Financial investments	**115.7**	**234.1**

Net deferred tax liability

£m	31 May 2024	31 May 2023
Deferred tax assets (note 3)	24.6	23.2
Deferred tax liabilities (note 3)	(51.3)	(60.8)
Net deferred tax liability	**(26.7)**	**(37.6)**

Net tax receivable

£m	31 May 2024	31 May 2023
Income tax receivable (note 3)	10.3	8.8
Income tax payable (note 3)	(8.1)	(6.1)
Net tax receivable	**2.2**	**2.7**

Own funds in client money

£m	31 May 2024	31 May 2023
Trade receivables - own funds in client money (note 9)	49.4	79.4
Less: Trade payables - amounts due to clients[1]	(2.1)	(4.3)
Own funds in client money	**47.3**	**75.1**

[1]Amounts considered as part of own funds.

Working capital

£m	31 May 2024	31 May 2023
Prepayments (non-current)	5.4	0.3
Prepayments (current)	27.4	25.3
Amounts due from clients (note 9)	2.9	4.4
Unamortised fees capitalised (note 10)	1.4	1.7
Other receivables	15.3	10.0
Other payables (non-current)	(1.3)	(1.2)
Other payables – Accruals	(98.6)	(109.4)
Other payables – Payroll taxes, social security and other taxes	(6.0)	(3.5)
Trade payables - amounts due to clients[1]	(1.7)	(2.0)
Working capital	**(55.2)**	**(74.4)**

[1]Amounts considered part of working capital.

Net own funds generated from operations

£m	FY24	FY23
Cash generated from operations	360.0	221.4
Interest received on client funds	142.7	75.8
Interest paid on client funds	(2.8)	(1.0)
Cash generated from operations net of client interest	499.9	296.2
- (Increase) in other assets	(21.6)	(0.8)
- (Decrease)/increase in trade payables	(18.5)	95.3
- Decrease/(increase) in trade receivables	(10.2)	102.5
- Repayment of principal element of lease liabilities	(6.6)	(7.1)
- Interest paid on lease liabilities	(1.3)	(0.5)
- Fair value movement in financial investments	11.3	(18.1)
Own funds generated from operations (A)	**453.0**	**467.5**
Profit before tax (B)	**400.8**	**449.9**
Conversion rate from profit to cash (A/B) %	**113%**	**104%**

Adjusted operating costs

£m		FY24	FY23
Operating costs		604.1	583.8
-	Net credit losses on financial assets	15.5	1.1
Operating costs inc. net credit losses		**619.6**	**584.9**
-	Operating costs relating to the operational improvement programme	(19.1)	-
-	Amortisation on tastytrade acquisition intangibles and recurring non-cash costs	(35.1)	(37.0)
-	Operating costs relating to the tastytrade acquisition and integration	(1.3)	(2.7)
-	Operating costs relating to the Nadex sale	-	(4.2)
Adjusted operating costs		**564.1**	**541.0**

Adjusted profit before tax and earnings per share

£m (unless stated)		FY24	FY23
Earnings per share (p) (Consolidated Income Statement)		79.4	86.9
Weighted average number of shares for the calculation of EPS (millions) (note 4)		387.8	418.7
Profit after tax (Consolidated Income Statement)		307.7	363.7
Tax expense (Consolidated Income Statement)		93.1	86.2
Profit before tax (Consolidated Income Statement)		**400.8**	**449.9**
-	Operating costs relating to the operational improvement programme	19.1	-
-	Operating costs relating to the tastytrade acquisition and integration	1.3	2.7
-	Amortisation on tastytrade acquisition intangibles and recurring non-cash costs	35.1	37.0
-	Operating costs relating to the Nadex sale	-	4.2
-	Operating income relating to the Nadex sale	-	(3.3)
Adjusted profit before tax (A)		**456.3**	**490.5**
Adjusted tax expense		(106.0)	(94.0)
Adjusted profit after tax		**350.3**	**396.5**
Adjusted earnings per share (pence per share)		**90.3**	**94.7**
Adjusted total revenue (B)		**987.3**	**1,022.6**
Adjusted PBT margin (A/B) %		**46.2%**	**48.0%**