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FOR IMMEDIATE RELEASE

20 JULY 2023

Results for the financial year ended 31 May 2023

"A fourth consecutive year of record revenue as IG continues to build an expanded and diversified business as the home for active traders worldwide, while delivering long-term shareholder returns."

Financial highlights (continuing operations[1])

Continued to deliver strong results in a more difficult market backdrop.

- Total revenue increased 5% to £1,022.6 million (FY22: £973.1 million). Adjusted[2] total revenue rose 6%.
- Net trading revenue decreased 3% at £941.8 million (FY22: £972.3 million). Adjusted net trading revenue was down 3%.
- Interest income rose significantly to £80.8 million (FY22: £0.8 million) reflecting higher interest rates.
- Profit before tax of £449.9 million (FY22: £477.0 million). Adjusted profit before tax of £490.5 million down slightly by 1% (FY22: £494.3 million). Adjusted profit before tax margin was at the top end of our guidance at 48.0% (FY22: 51.1%).
- Basic EPS of 86.9 pence (FY22: 92.9 pence). Adjusted basic EPS of 94.7 pence (FY22: 96.3 pence), down on prior year driven by a higher effective tax rate.
- Total capital return of £363.4 million split across dividends paid and shares re-purchased in the period (FY22: £186.2 million).
- Proposed an increased dividend of 45.2 pence (FY22: 44.2 pence) and a new, larger share buyback programme of £250 million.

Strategic highlights

Achieved further progress with our strategy to expand and diversify into new products and geographic markets.

- High Potential Markets pro forma[3] total revenue increased 40% to £207.0 million (FY22: £148.3 million), with Core Markets+ broadly stable, decreasing by 1% to £815.6 million (FY22: £827.6 million).
- US total revenue increased 47% to £191.3 million, and 38% on a pro forma basis, representing strong growth in an important strategic market.
    - tastytrade total revenue increased 52% to £170.3 million ($205.0 million) and 41% on a pro forma basis as significant growth in interest income offset softer net trading revenue.
- Spectrum total revenue increased 68% to £15.7 million (FY22: £9.3 million). Societe Generale and UniCredit were onboarded during the year as third-party issuers.

[1] Discontinued operations consist of 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 Appendix 1.

[3] Pro forma basis reflects revenue in the comparative period for the full 12 months, including the period prior to the acquisition of tastytrade.

- Non-OTC total revenue, which includes associated interest income, increased to 21% of the Group total revenue (FY22: 16%) representing continued progress on our diversification strategy.
- Total active clients of 358,300 (FY22: 381,500) moderated slightly but remained more than double pre-pandemic levels.

Capital allocation

In July 2022, the Group announced its new Capital Allocation Framework, against which disciplined capital decisions are being made.

1. Regulatory capital requirements: regulatory capital headroom of £498.9 million at 31 May 2023 (31 May 2022: £528.2 million) provides capacity for further business growth.
2. Organic investment: cost increases reflect investment in technology and new projects, balanced with an adjusted profit before tax margin of 48.0%.
3. Commitment to citizenship: as part of our ESG strategy, pledged 1% of profit after tax to charitable causes, equating to £4.0 million, via our Brighter Future Fund, now totalling over £13.0 million over the past four years.
4. Regular distributions: proposed final dividend 31.94 pence per share, representing a full year dividend of 45.2 pence per share, up 1 pence, reflecting our progressive and sustainable dividend policy and a pay-out of around 50% of adjusted profit after tax.
5. Inorganic investment: evaluated certain potential acquisitions, applying rigorous assessment criteria, but did not identify any opportunities that met all of our requirements.
6. Additional distributions: launching a new, and larger, share buyback programme of £250 million, to commence following the completion of the existing programme, and to be substantially completed in FY24.

Financial Summary (continuing operations)

£ million (unless stated)	FY23	FY23 (Adjusted)	FY22	FY22 (Adjusted)	Change %	Change (Adjusted) %
Total revenue[1]	1,022.6	1,022.6	973.1	967.3	5%	6%
Net trading revenue	941.8	941.8	972.3	966.5	(3%)	(3%)
Total operating costs[2,3]	584.9	541.0	501.9	464.9	17%	16%
Profit before tax[4]	449.9	490.5	477.0	494.3	(6%)	(1%)
Profit after tax	363.7	396.5	396.1	410.5	(8%)	(3%)
Basic earnings per share (p)	86.9	94.7	92.9	96.3	(6%)	(2%)
Total dividend per share (p)	45.2	-	44.2	-	2%	-

[1] FY22 adjusted total revenue excludes £5.8 million foreign exchange hedging gain associated with the financing of the tastytrade acquisition.

[2] Operating costs include net credit losses on financial assets.

[3] FY23 adjusted operating costs excludes £39.7 million of costs and recurring non-cash costs associated with the tastytrade acquisition and integration (FY22: £33.7 million) and £4.2 million relating to the sale of Nadex (FY22: £3.3 million).

[4] FY22 adjusted profit before tax cost excludes £1.0 million of one-time financing expense associated with the debt issuance, £9.3 million FV gain on revaluation of Zero Hash, £4.1 million of gains on sale of Small Exchange and disposal of Zero Hash.

Charlie Rozes, Acting Chief Executive Officer, commented:

“We’ve delivered a fourth consecutive year of record revenue as part of our strategy to expand and diversify the Group through great technology and innovative products, combined with outstanding client experiences.

“We’ve performed well in the much more difficult market conditions that persisted through most of the past year, maintaining our leadership position in OTC derivatives while building further momentum in our product and geographic expansion. Total revenue exceeded £1 billion for the first time in IG’s history, more than double our revenue in FY19 when we launched the strategy, while consistently achieving strong profit margins. A notable highlight has been our progress in the US, with the strong growth of tastytrade driving total revenue of £191.3 million, also an all-time high for IG.

“This combination of our operating performance and capital strength enabled us to return £363.4 million to shareholders during FY23 and we’re pleased to announce today an increased cash dividend and a new £250 million share buyback programme.

“Our clients and our people remain at the heart of our success. IG’s commitment to offering a first-class trading experience has resulted in a loyal, high quality global client base, demonstrated by active client numbers remaining significantly above the levels of just a few years ago. Our unique client base is the foundation of our resilient growth profile.

“Looking ahead, we’re well positioned to continue investing for growth given the strength and consistency of our cash flow and balance sheet. We keep a close watch on profit margins and in FY24 will continue to look for opportunities to achieve even greater cost efficiency. We’re the home of active traders worldwide, and we are building a more sustainable, long-term business that delivers for all stakeholders.”

Further information

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Analyst presentation

There will be an analyst and investor presentation at 9:30am (UK Time) on Thursday 20 July.

The presentation will be accessible live via 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 and 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. They also reflect an important aspect of the way in which 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 consider the statutory measures as well. Refer to the appendices for further information and calculations of alternative performance measures included throughout this document, and the most directly comparable statutory measures.

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 FY22 Group Annual Report for the financial year ended 31 May 2022. 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) is an innovative, global fintech company that delivers dynamic online trading platforms and a robust educational ecosystem to power the pursuit of financial freedom for the ambitious. For nearly 50 years, the Company has evolved its technology, risk management, financial products, and education and content to meet the needs of its retail and institutional clients. IG Group continues to innovate its offering for the new generation of tomorrow's investors through its IG, tastytrade, IG Prime, Spectrum, and DailyFX brands.

Established in 1974, IG Group is a London-headquartered FTSE 250 company offering its clients access to ~19,000 financial markets through its offices spread across Europe, North America, Africa, Asia-Pacific and the Middle East.

Acting Chief Executive Officer's Statement

I am delighted to report a fourth consecutive year of record total revenue for IG Group. Total revenue exceeded £1 billion for the first time, more than double the revenue in FY19, and our cost management ensured that we continue to deliver a high profit margin.

Our success in balancing core growth with diversification over the last four years positioned us extremely well for the difficult market backdrop we saw during FY23, with global inflation, interest rate rises, and macro uncertainty. A fundamental strength of ours is that the amount of cash that we generate in the ordinary course of business allowed us to both invest for further growth and deliver attractive and sustainable distributions for shareholders.

Our strategic progress in FY23

In FY19, we launched our strategy to expand and diversify the Group by both product and geography, leveraging our well-established strengths in trading and trading products, technology, and risk management.

Since then, we've made great progress and while total revenue has more than doubled, the proportion of revenue from non-OTC products increased from 5% to 21%, and the proportion of revenue from the UK market reduced from 42% to 33%, primarily driven by our organic and inorganic growth in the US market.

Given its position as the world's largest financial market, our growth in total US revenues this year, up 47% to £191.3 million, is a particular highlight. The main driver of this revenue growth is tastytrade, where significantly higher levels of interest income offset some softer net trading revenue. In the year we laid stronger foundations for future growth, and some highlights of our progress at tastytrade include:

- Improving client experience by overhauling mobile applications, creating an open API, and launching an upgraded web-based trading platform, which is now the newest in the sector. This delivers a scalable, powerful trading platform to our clients, backed by outstanding customer service.
- Expanding our equity trading capabilities to capture a greater share of our clients' trading portfolios and attract larger client balances. This allowed us to capitalise on the rising US interest rate cycle.
- Rebranding the brokerage firm from tastyworks to tastytrade earlier this year, setting the stage for it to become a household name for trading the US markets.
- Leveraging Group marketing capabilities, including search engine optimisation, and building a best-in-class marketing function.
- Launching the first-ever national brand campaign to raise the profile and awareness of the business.

In Europe, Spectrum – our pan-European trading venue for securitised derivatives – is a great example of our ability to innovate at scale. Spectrum marked an important milestone this year by welcoming two top-tier banks, Societe Generale and UniCredit, as new product issuers. This means that European clients will have access to thousands of new products, and we are bringing more issuers and brokers to the exchange this year.

In our OTC business, we retained our leadership position. FY23 provided much more challenging conditions than we've seen in recent years. Despite this, the high quality of our OTC client base shone through, and our market-leading platform, products, and trade execution supported their trading during the period.

Our client focus

At IG, we're driven by one unrelenting focus: to offer our ambitious clients the opportunity to create the financial freedom they strive for now and in the future. This means a first-class trading experience on market-leading platforms and tools, access to around 19,000 markets, outstanding trade execution and amazing customer service. This passion to surpass our clients' expectations and create inspiring experiences has enabled us to deliver sustainable, resilient growth over decades by building and retaining a strong and loyal client base.

We are champions of client welfare, and fair client outcomes remain a foundation of our business. We conducted a thorough review of our internal processes ahead of the introduction of the FCA's new UK Consumer Duty rules that confirmed our business was already largely compliant and we have updated our processes where necessary. This again demonstrates our ability to grow the business in the ever-changing global regulatory landscape. This approach is part of our culture. It enables us to earn our clients' long-term loyalty and trust and brings to life our values to champion the client and do the right thing.

Understanding clients' needs and shaping our business model to align with their interests, underpins the long-term, sustainable performance of our business. An important aspect of our business model is our differentiated content, which is provided through live programming, blogs, podcasts, online courses and website content. Across all of our channels, IG content is watched globally more than 100 million times each year, showing the importance that content plays in our client focused offering.

Our commitment to communities and our people

We've pledged to contribute annually the equivalent of 1% of post-tax profits to charitable causes, and we're proud to deliver on this promise. We're supporting projects around the world with a particular focus on the theme 'empowerment through education'. For example, we work in partnership with Teach For All and their international network. With a shared purpose to make educational systems work for every child, these partnerships continue to make a real difference. As part of this ongoing commitment, by the end of FY26 our goal is to positively impact the lives of one million people around the world.

Making a positive impact in our communities is important to everyone at IG. Our people passionately support this commitment, with over a third of our employees engaging in voluntary and charitable activities this year.

Our people are the driving force behind our operational performance as a company. Their continued engagement and personal commitment to our goals and ambitions is of critical importance. To support them through this challenging period of high inflation rates, we've undertaken a special remuneration review focused on our most impacted colleagues, providing one-off cost of living booster payments and pay rises.

Strong financial performance

Total revenue of £1,022.6 million was up 5% on prior year. Our performance reflected two important factors. First, we broadly maintained our levels of trading revenue and avoided the sharp decline following the pandemic as seen by many others in the industry. Second, we capitalised on the interest rate cycle and drove significant increases in interest income.

As we projected last year, interest income was the principal revenue growth driver in FY23, generating £80.8 million in FY23, compared to just £0.8 million in FY22. The increase in interest rates has also meant that our net finance line was positive, as the return from our corporate cash outweighed the cost of the small level of issued debt and our revolving credit facility, which remained undrawn as at 31 May 2023.

Disciplined cost management remained a priority, even with the challenges of translational foreign exchange headwinds and high levels of inflation across many of our regions. While this impacted some of our supplier costs, the main impact was on our people, and we took steps to ensure that we are financially supporting our people globally. Consequently, while this drove higher rates of fixed remuneration growth, we retained our highly skilled and talented people and avoided elevated levels of attrition.

We've earned a reputation as an innovative business, and critical, but careful, decisions were taken throughout the year to decide on capital allocated to new organic growth initiatives. We operate a formal 'incubator' process which in recent years produced new ventures such as our OTC business in the US and our European ETD business. We are disciplined allocators of capital and we'll always prioritise allocation to foster innovation and organic growth.

In FY23, we balanced the levels of investment for future growth with delivering a sustainable profit margin. Our adjusted profit margin for the year was 48%, down slightly on our prior year margin of 51% but well within the mid-to-high 40's range that we're managing to. We've grown revenues at a steady rate over the past 20 years, at consistently high margins. We keep a close watch on profit margins and in FY24 will continue to look for opportunities to achieve even greater cost efficiency.

Our effective tax rate was 19.2%, versus 17.0% in FY22, due to some one-off adjustments in the prior year and the impact of the increased UK corporate tax rate which rose sharply from 19% to 25% in April 2023.

Earnings per share of 94.7p was down slightly year on year reflecting lower profit after tax, partially offset by a reduction in the number of shares in issue as a result of the on-going share buyback programme, which is now being enlarged for FY24. We expect the share count to continue to reduce, as the full impact of the buyback programmes are reflected.

Capital and liquidity

Our FY23 results announcement marks the one-year anniversary of the publication of our Capital Allocation Framework. The framework has been well received by all our stakeholders, and our Board has been embedding it internally as we evaluate the most effective uses of capital.

Our first priority is ensuring that we meet our regulatory capital requirements. In January 2022, the Group transitioned to the Investment Firms Prudential Regime, and since then has had a static, transitory minimum capital requirement. At the end of the year our regulatory capital headroom above that requirement was a very healthy £498.9 million.

Our commitment to charitable causes, with a focus on empowerment through education, remained strong. In FY22, we pledged to allocate 1% of post-tax profits to these causes, and we're fulfilling this commitment again with an additional pledge of £4.0 million.

Our proposed final dividend of 31.94 pence represents a total dividend for the year of 45.2 pence, an increase of 1 pence on the prior year, representing progressive and sustainable increases.

During the year, we considered certain acquisitions to accelerate progress on our strategy but did not identify anything which met our range of criteria. We'll maintain a disciplined approach towards capital allocation across the Group.

Having assessed our regulatory capital headroom and our alternative uses of capital, we've announced an additional distribution to shareholders, in the form of a £250 million share buyback. We expect this to be substantially completed within FY24. The announcement of a new share buyback programme demonstrates our ability to invest for growth while also providing attractive returns to shareholders.

Liquidity management was another strong point of our financial performance. The peak broker margin requirement during the year was £757.5 million (FY22 peak margin: £774.7 million). Our robust liquidity position supports client trading across a variety of market conditions. The broker margin requirement at the period end was £678.2 million, resulting in an available liquidity balance of £792.9 million.

Guidance
The medium-term guidance that we set out in July 2021 was that we would anticipate total revenue growth of 25-30% in our High Potential Markets from FY21, and total revenue growth of 5-7% in our Core Markets+ portfolio from FY22. We reiterate this guidance, and we're confident in delivering this.

We anticipate that interest income will continue to be a material stream of revenue within our total revenue line. In the US, we maintain our guidance that for every 25 basis points rise in the Fed Funds rate, we would expect an additional $4 million of revenue on an annual basis. Outside of the US and for net finance, we expect higher income in FY24 than in FY23 reflecting the annualisation effect of rate increases last year and projected interest rate increases in FY24.

We maintain our guidance that we would expect to achieve an adjusted profit before tax margin of mid-to-high 40s over the medium term. We keep a close watch on profit margins and in FY24 will continue to look for opportunities to achieve even greater cost efficiency.

On effective tax rate, the recent increases in the UK corporate tax rate will cause further upwards pressure in FY24. We now expect the Group's effective tax rate to be approximately 24% for FY24, slightly below the UK corporate tax rate of 25%.

In summary, we've achieved another consecutive year of record total revenue, combined with good cost management and a strong balance sheet, which puts us in an excellent position to invest in the business, execute our strategy, and provide attractive returns to our shareholders.

Business Performance Review

Summary Group Income Statement

£m	FY23	FY23 adjusted	FY22	FY22 adjusted	Change %	Adjusted change %
Net trading revenue[1]	941.8	941.8	972.3	966.5	(3%)	(3%)
Net interest income	80.8	80.8	0.8	0.8	nm	nm
Total revenue	**1,022.6**	**1,022.6**	**973.1**	**967.3**	**5%**	**6%**
Betting duty and other operating income[2]	0.8	(2.5)	6.1	4.6		
Net operating income	**1,023.4**	**1,020.1**	**979.2**	**971.9**	**5%**	**5%**
Total operating costs[3,4]	(584.9)	(541.0)	(501.9)	(464.9)	17%	16%
Operating profit	**438.5**	**479.1**	**477.3**	**507.0**	**(8%)**	**(5%)**
Other net gains/(losses)[5]	(2.6)	(2.6)	11.1	(2.3)		
Net finance income / (cost)[6]	14.0	14.0	(11.4)	(10.4)		
Profit before tax from continuing operations	**449.9**	**490.5**	**477.0**	**494.3**	**(6%)**	**(1%)**

[1] FY22 adjusted excludes £5.8 million foreign exchange hedging gain associated with the financing of the tastytrade acquisition.

[2] FY23 adjusted betting duty and other operating income excludes £3.3 million income for the reimbursement of costs relating to the sale of Nadex (FY22: £1.5 million).

[3] Operating costs include net credit losses on financial assets.
[4] FY23 adjusted operating costs excludes £39.7 million of costs and recurring non-cash costs associated with the tastytrade acquisition and integration (FY22: £33.7 million) and £4.2 million relating to the sale of Nadex (FY22: £3.3 million).
[5] FY22 excludes £9.3 million fair value (FV) gain on revaluation of Zero Hash, £4.1 million of gains on sale of Small Exchange and disposal of Zero Hash.
[6] FY22 adjusted net finance cost excludes £1.0 million of one-time financing expense associated with the debt issuance.

Statutory results

On a statutory basis, net trading revenue from continuing operations was £941.8 million, down 3% on FY22, reflecting a reduction in client activity. The Group's total revenue of £1,022.6 million, increased by 5%, driven by significantly higher levels of interest income. Net operating income increased by 5% to £1,023.4 million (FY22: £979.2 million).

Statutory operating costs, including net credit loss on financial assets, were £584.9 million, 17% higher than FY22. The Group's statutory profit before tax for FY23 was £449.9 million, down 6% on FY22.

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

Adjusted results

The following analysis reflects a continuing operations and adjusted basis, which excludes certain one-off items and recurring non-cash items in order to present a more accurate view of underlying performance. A reconciliation of non-GAAP measures used in this report is contained in appendix 1.

Adjusted total revenue by product

	Adjusted total revenue (£m)		
	FY23	**FY22**	**Change %**
OTC derivatives	806.3	810.2	-
Exchange traded derivatives	186.5	123.1	51%
Stock trading and investments	29.8	34.0	(12%)
Group	**1,022.6**	**967.3**	**6%**

Adjusted total revenue consists of adjusted net trading revenue and net interest income. Adjusted total revenue was £1,022.6 million in FY23, up 6% on FY22. OTC derivatives total revenue was £806.3 million, slightly below that of the FY22 record year for OTC. Exchange traded derivatives total revenue was £186.5 million, up 51% on the prior period. Within exchange traded derivatives, tastytrade total revenue was £170.3 million (£120.9 million trading revenue and £49.4 million interest income), up 52% on FY22 and 41% on a pro forma basis which includes a full 12 months of tastytrade revenue in the comparative period, benefitting from both increasing Fed Funds rates and favourable translational foreign exchange, offset by a reduction in net trading revenues. Stock trading and investments total revenue was £29.8 million, down 12% due to a reduction in client trading activity.

Non-OTC revenue made up 21% of total revenue in FY23, considerably up from 16% in FY22 reflecting the continued diversification of our revenue.

Adjusted net trading revenue

Adjusted net trading revenue was £941.8 million, 3% lower than FY22 as the challenging macroeconomic environment impacted trading activity.

Net trading revenue performance by product

	Adjusted net trading revenue (£m)		
	FY23	**FY22**	**Change %**
OTC derivatives	782.0	811.5	(4%)
Exchange traded derivatives	137.1	121.2	13%
Stock trading and investments	22.7	33.8	(33%)
Net trading revenue	**941.8**	**966.5**	**(3%)**
Net interest income	80.8	0.8	nm
Group total revenue	**1,022.6**	**967.3**	**6%**

	Active clients (000)			Net trading revenue per client (£)		
	FY23	**FY22**	**Change %**	**FY23**	**FY22**	**Change %**
OTC derivatives	189.5	199.8	(5%)	4,126	4,063	2%
Exchange traded derivatives[1]	91.6	104.5	(12%)	1,490	1,142	31%
Stock trading and investments	90.8	93.2	(3%)	250	363	(31%)
Group[2]	**358.3**	**381.5**	**(6%)**			

[1] Exchange traded derivatives revenue per client calculation excludes revenue generated from the Group's US market maker.
[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 FY23 there were 13,700 multi-product clients, compared with 16,000 in FY22.

OTC derivatives

OTC derivatives net trading revenue of £782.0 million, was down 4%, reflecting a 5% reduction in active clients (FY23: 189,500) as client activity moderated against a more difficult macroeconomic backdrop year over year, particularly in Q3. Net trading revenue per client increased 2% on the FY22 average, reflecting the high quality of our client base.

UK and EU OTC derivatives revenue was £397.9 million, down 8%, with almost all of the year-on-year difference driven by a difficult comparison to an exceptionally strong Q3 in FY22. Q4 revenue however increased 16% on Q3, as client trading activity increased. Active clients in the year declined 6%, with a 2% lower average net trading revenue per client.

Japan OTC derivatives revenue was £99.3 million, up 1% on the record FY22 performance, with active clients increasing 10%, and average net trading revenue per client decreasing by 8%. We continue to see exciting opportunities to grow this business further through the launch of new products and effective marketing programs.

Australia OTC derivatives revenue of £95.2 million increased 8%, with average revenue per client up 29%, more than offsetting a 16% decline in the active client base.

Institutional OTC derivatives revenue was up 35% at £13.3 million with a significantly higher net trading revenue per client and active client numbers remaining level.

US OTC derivatives revenue increased 17% as net trading revenue per client increased 31% year on year benefitting from the increasing quality of the client base and some translational foreign exchange benefit.

Exchange traded derivatives

Net trading revenue from exchange traded derivatives was £137.1 million, up 13%, and 6% higher than FY22 on a pro forma basis, which includes a full 12 months of tastytrade revenue in the comparative period.

tastytrade's net trading revenue in the period increased 10% to £120.9 million, and 2% on a pro forma basis. Active clients reduced by 16% on a pro forma basis, reflecting normalisation against the higher levels of activity in FY22 and lower levels of new client acquisition in the period. The decline in active clients was more than offset by increased revenue per client, up 22%, due to improvements in the client mix and favourable translational foreign exchange rates.

Spectrum's revenue was £15.7 million, up 68%, as revenue per client increased significantly to £2,286, up 67%, as the exchange onboarded Societe Generale and UniCredit as new issuers.

Stock trading and investments

Net trading revenue from stock trading and investments was £22.7 million, down 33%, reflecting a 31% reduction in average net trading revenue per client as trade frequency per client reduced. The number of active clients reduced slightly and assets under management at the end of the period remained in line with FY22 at £3.3 billion.

Net interest income

Net interest income on client balances was £80.8 million increasing significantly from £0.8 million reported in FY22. Interest on client balances made up 8% of total revenue in FY23, increasing from 5% in H1 to 11% in H2. This increase reflected the rising interest rate cycle and the significant client money balances held throughout the year.

In our US businesses, client balances at the end of the year were $1.9 billion (31 May 2022: $2.0 billion). This contributed £50.4 million of interest (FY22 £1.9 million).

Outside of the US, client balances of £2.7 billion were down 12% (31 May 2022: £3.1 billion). This included £420.4 million of client funds on the balance sheet (31 May 2022: £519.4 million) for which the interest is recognised within the net finance income line. Interest income recognised on the remaining segregated client money balance was £30.4 million compared with a net interest cost of £1.1 million in FY22.

Operating Costs

Total adjusted operating costs for FY23 were £541.0 million, 16% higher than FY22. The increase reflected approximately £16.2 million of translational foreign exchange headwinds, inflationary increases, the £4.0 million pledge to charitable causes, and higher technology related costs as we continue to invest in innovation and resiliency.

Adjusted operating costs from continuing operations

£m	FY23	FY22	Change %
Fixed remuneration	188.5	150.1	26%
Advertising and marketing	93.5	87.1	7%
Revenue related costs	47.9	45.3	6%
IT, structural market data and comms	42.5	35.0	21%
Depreciation and amortisation	29.6	28.5	4%
Legal and professional	25.9	16.8	54%
Other costs	63.1	44.2	42%
Variable remuneration	50.0	57.9	(14%)
Total operating costs	**541.0**	**464.9**	**16%**
Headcount – average	**2,616**	**2,408**	**9%**

FY23 fixed remuneration was £188.5 million, up 26%, reflecting increased headcount, translational foreign exchange on non-GBP salaries, salary increases driven partly by inflation, and a one-off cost of living payment to more than 60% of our people. Headcount growth was primarily in technology areas and reflected continued investments in new development projects and the running of our global trading platforms and infrastructure.

Advertising and marketing spend increased by 7% to £93.5 million. This reflected marketing investments in Germany and tastytrade to support our strategic goal of growing our exchange traded derivatives business and diversifying the Group's revenue base.

Revenue related costs include market data charges, client payment charges, provisions for client and counterparty credit losses and brokerage trading fees. Although net trading revenue was lower in FY23, revenue related costs increased by 6% to £47.9 million reflecting a change in revenue mix, in particular higher brokerage trading fees due to a larger volume of US index options traded by clients.

IT maintenance, structural market data charges, and communications costs were £42.5 million, an increase of 21% reflecting increased investments in technology to expand infrastructure capacity to support future growth and periodic spikes in client trading.

Depreciation and amortisation costs increased 4% to £29.6 million. Legal and professional fees were £25.9 million, an increase of 54%, reflecting higher costs in relation to strategic and operational projects.

Other costs, which include staff related costs (such as travel and entertainment), regulatory fees and irrecoverable VAT, increased by 42%. Also included was the £4.0 million pledge to charitable causes, representing 1% of FY22 adjusted profit after tax, which was approved by the Board in September 2022. Additionally, other costs increased due to higher travel and entertainment as staff returned to the office and travel frequency increased.

Within variable remuneration was the general bonus accrual, share schemes and sales bonuses. The charge for the general bonus pool was £27.6 million, down 15%, reflecting a lower level of outperformance to internal targets relative to the comparative period, offset by increases due to headcount growth and salary inflation. Share schemes costs relating to the long-term incentive plans for senior management reduced by 6% to £16.8 million (FY22: £17.8 million) reflecting the lower share price, and lower levels of performance against internal targets in comparison to prior year. Sales bonuses decreased by 25% to £5.6 million reflecting lower commission payments to sales staff.

Net finance income

Net finance income in the period was £14.0 million, up from a £10.4 million adjusted cost in FY22. Within this, finance income was £30.2 million (FY22: £3.4 million), offset by finance costs of £16.2 million (FY22: £13.8 million). Group finance costs are fixed, however the finance income, which reflected the interest earned on corporate balances including client funds on balance sheet, benefitted from the rising interest rate cycle.

Earnings Per Share

£m (unless stated)	FY23	FY23 adjusted	FY22	FY22 adjusted	Change %	Adjusted change %
Profit before tax from continuing operations	**449.9**	**490.5**	**477.0**	**494.3**	**(6%)**	**(1%)**
Tax	(86.2)	(94.0)	(80.9)	(83.8)		
Profit after tax from continuing operations	**363.7**	**396.5**	**396.1**	**410.5**	**(8%)**	**(3%)**
Weighted average number of shares for the calculation of EPS (millions)	418.7	418.7	426.3	426.3	(2%)	(2%)
Basic earnings per share (pence per share)	**86.9**	**94.7**	**92.9**	**96.3**	**(6%)**	**(2%)**

Profit before tax was £449.9 million in FY23, and £490.5 million on an adjusted basis, 1% lower than FY22.

The effective tax rate (ETR) was 19.2% based on profit before tax from continuing operations (FY22: 17.0%). The ETR was lower than the average main rate of UK corporate tax in the period of 20%, where the majority of the Group's profits were taxed, primarily as a result of standard UK tax incentives and adjustments to prior year estimates. The ETR for FY24 is anticipated to be around 24% on an adjusted basis, due to the sharp increase in UK corporate tax rate from 19% to 25% from 1 April 2023. The ETR is dependent on several factors including taxable profit by geography, tax rates levied in those geographies and the availability and use of taxable losses. The future ETR may also be impacted by changes in our business activities, client composition and regulatory status, which could affect our exemption from the UK Bank Corporation Tax surcharge.

Profit after tax was £363.7 million, down 8% on FY22, and 3% lower on an adjusted basis. Basic EPS was 86.9 pence, down 6% on FY22 and 2% lower on an adjusted basis due to the reduction in profits, partly offset by a lower share count reflecting our share buyback programme.

Dividend

The final dividend for FY23 of 31.94 pence per share was proposed by the Board. This will be paid on 19 October 2023, following approval at the Company's Annual General Meeting, to those shareholders on the register at the close of business on 22 September 2023. This represents a total FY23 dividend paid of 45.2 pence per share (FY22: 44.2 pence per share).

Summary Group Balance Sheet

The balance sheet is presented on a management basis which reflects the Group's use of alternative performance measures to monitor its financial position, with particular focus on own funds and liquid assets which are deployed to meet the Group's liquidity requirements. These alternative performance measures are reconciled to the corresponding statutory balances in the appendix.

£m	31 May 2023	31 May 2022	Change %
Goodwill	611.0	604.7	1%
Intangible assets	276.5	292.1	(5%)
Property, plant and equipment[1]	17.6	16.7	5%
Operating lease net liabilities	(2.2)	(2.0)	10%
Other investments	1.2	-	nm
Investments in associates	12.5	14.8	(16%)
Fixed assets	**916.6**	**926.3**	**(1%)**
Own cash	730.2	1,245.9	(41%)
Issued debt	(299.3)	(299.2)	-
Client funds held on balance sheet	(420.4)	(519.4)	(19%)
Turbo warrants[2]	(2.7)	(1.5)	80%
Net amounts due from brokers	825.3	657.1	26%
Own funds in client money	75.1	64.2	17%
Financial investments	234.1	-	nm
Liquid assets threshold requirement	65.0	106.7	(39%)
Own funds	**1,207.3**	**1,253.8**	**(4%)**
Working capital	(74.4)	(82.5)	(10%)
Net current assets held for sale	-	0.4	(100%)
Tax receivable/(payable)	2.7	(20.5)	(113%)
Net deferred tax liability	(37.6)	(49.7)	(24%)
Net assets	**2,014.6**	**2,027.8**	**(1%)**

[1] Excludes right-of-use assets.
[2] Recognised in client funds held on balance sheet in the prior year.

During FY23, Group's fixed assets decreased by £9.7 million. The decrease in fixed assets was driven by annual depreciation and amortisation of £61.8 million offset by additions of £26.2 million in intangibles and property, plant and equipment, £8.7 million on the Small Exchange acquisition, £7.6 million lease payment and a £10.8 million increase from foreign exchange. The Group's working capital increased by £8.1 million, which was primarily driven by a lower general bonus accrual compared to prior year.

The Group recognised a £13.2 million decrease in net assets during the period driven by a £46.5 million decrease in own funds offset by a reduction of £35.3 million in tax and deferred tax liabilities.

Liquidity

The Group maintained a strong liquidity position, ensuring that it had sufficient resources under both normal circumstances and stressed conditions to meet its working capital and other liquidity requirements, which included broker margin requirements, regulatory and working capital needs of its subsidiaries, and funding of adequate buffers in client money accounts.

The Group's available liquidity comprised assets available at short notice to meet additional liquidity requirements, which were typically increases in broker margin.

£m	31 May 2023	31 May 2022	Change %
Own cash	730.2	1,245.9	(41%)
Net amounts due from brokers	825.3	657.1	26%
Own funds in client money	75.1	64.2	17%
Financial investments	234.1	-	-
Liquid assets threshold requirement	65.0	106.7	(39%)
Liquid assets	**1,929.7**	**2,073.9**	**(7%)**
Broker margin requirement	(678.2)	(629.5)	8%
Cash balances in non-UK subsidiaries	(383.5)	(342.9)	12%
Own funds in client money	(75.1)	(64.2)	17%
Available liquidity	**792.9**	**1,037.3**	**(24%)**
of which:			
Held to meet regulatory liquidity requirements	65.0	106.7	(39%)
Dividend due	130.6	134.8	(3%)

The composition of the Group's liquid assets changed during the period, with more liquid assets held as financial investments (UK government securities) rather than cash. This was a result of changes in regulations that require the Group to post securities into segregated accounts instead of cash to meet initial margin requirements at certain brokers. The impact on the Group's liquid assets was that the UK government securities held by the Group increased by £210.3 million, with a corresponding reduction in the cash balance at 31 May 2023. The Group held £372.3 million of UK government securities to satisfy margin requirements. The Group's cash balance also reduced as a result of dividends paid during FY23 of £188.1 million, share buyback of £175.2 million and tax paid of £116.6 million, offset by cash generated from total operations of £296.2 million.

Net amounts due from brokers increased by £168.2 million. The balance comprised open derivative positions, cryptocurrency assets, cash and UK government securities held on account by the Group's hedging and execution counterparties. The broker margin requirement at 31 May 2023 was £48.7 million higher than the requirement at 31 May 2022. The maximum margin requirement during the period was £757.5 million in August 2022, lower than the Group's highest broker margin requirement of £774.7 million which occurred in H1 FY22.

The Group's available liquidity reduced by £244.4 million during the period, which was more than the overall fall in liquid assets of £144.2 million. This was driven by an increase in broker margin requirements and the Group holding higher cash balances in non-UK subsidiaries to meet local cash requirements at the end of the year. The Group regularly repatriates cash from its overseas subsidiaries, and for liquidity management and planning purposes the Group excludes cash held by non-UK subsidiaries from available liquidity. The amount of cash held in entities outside the UK was £383.5 million as at 31 May 2023 (31 May 2022: £342.9 million).

The Group's available liquidity is subject to meeting other requirements including regulatory liquidity requirement within the Investment Firms Prudential Regime (IFPR). IFPR has a basic liquid assets requirement and a liquid assets threshold requirement, which can be met with both cash and certain financial investments. As at 31 May 2023, £65.0 million was held as liquid asset threshold requirement, 39% lower than 31 May 2022 due to removal of the transitional IFPR arrangement.

In addition to cash recognised on the balance sheet, as at 31 May 2023, the Group held £2,303.9 million (31 May 2022: £2,577.9 million) of client money in segregated bank accounts, which is not recognised on the Group's balance sheet. These client funds are held separately from the Group's own cash balances and are excluded from the Group's liquid assets.

Own Funds

The Group measures the strength of its liquidity position using an "own funds" measure, instead of just cash, as it is a broader and more stable measure than cash. Own funds include liquid assets, less issued debt, turbo warrants and client funds on the balance sheet. As at 31 May 2023, the Group had a cash balance of £730.2 million (31 May 2022: £1,245.9 million) compared with an own funds balance of £1,207.3 million (31 May 2022: £1,253.8 million).

£m	31 May 2023	31 May 2022	Change %
Liquid assets	1,929.7	2,073.9	(7%)
Client funds on balance sheet	(420.4)	(519.4)	(19%)
Turbo warrants	(2.7)	(1.5)	80%
Issued debt	(299.3)	(299.2)	0%
Own funds	**1,207.3**	**1,253.8**	**(4%)**

Client funds on balance sheet are funds on deposit with the Group's Swiss banking subsidiary, IG Bank SA, and client funds held by other subsidiaries which are not subject to the same legal or regulatory protections as client money held off balance sheet, including funds held by the Group under title transfer arrangements.

The Group has £300 million, 3.125% senior unsecured bonds due in 2028. The Group also has access to a £350 million revolving credit facility which was undrawn at 31 May 2023 (31 May 2022: undrawn). The Group has the option to request an increase in the revolving credit facility size to £400.0 million. The total available credit facilities have risen from £600 million at 31 May 2022, to £650 million as at 31 May 2023, with the potential to rise to £700 million if the new revolving credit facility is increased in size.

Own Funds Flow

£m	FY23	FY22
Own funds generated from operations	**467.5**	**536.5**
as % of operating profit	107%	112%
Taxes paid	(116.6)	(99.2)
Net own funds generated from operations	**350.9**	**437.3**
Net interest and fees received	10.2	(13.2)
Capital expenditure and capitalised development costs	(26.2)	(17.5)
Net own funds movement from acquisitions and disposals of subsidiaries and investments in associates	(2.8)	(14.7)
Purchase of own shares held in employee benefit trusts	(14.6)	(6.7)
Pre-dividend increase in own funds	**317.5**	**385.2**
Cash paid for share buyback	(175.2)	-
Dividends paid	(188.1)	(186.2)
(Decrease)/Increase in own funds	**(45.8)**	**199.0**
Own funds at start of the period	**1,253.8**	**1,058.5**
(Decrease)/Increase in own funds	(45.8)	199.0
Impact of movement in exchange rates	(0.7)	(3.7)
Own funds at the end of period	**1,207.3**	**1,253.8**

Own funds decreased by £45.8 million, excluding the impact of foreign exchange rates. This was driven by share buybacks completed in FY23 of £175.2 million, dividends paid of £188.1 million, purchase of own shares held in the Employee Benefit Trust of £14.6 million and capital expenditure of £26.2 million, offset by net own funds generated from operations of £350.9 million.

Regulatory Capital

The Group is supervised on a consolidated basis by the Financial Conduct Authority in the UK, which requires sufficient regulatory capital at both Group and individual entity levels to cover risk exposures, valued according to applicable rules, and any additional regulatory financial obligations imposed.

The Group's regulatory capital resources, which totalled £996.3 million as at 31 May 2023 (31 May 2022: £1,025.6 million), are an adjusted measure of shareholders' funds taking into account FY23 profits which are included in the regulatory capital calculation once signed off by the auditors. Shareholders' funds comprise share capital, share premium, retained earnings and other reserves, and as at 31 May 2023 totalled £2,014.6 million (31 May 2022: £2,027.8 million).

The Group's regulatory capital requirement as at 31 May 2023 was £497.4 million (31 May 2022: £497.4 million). The Group's capital headroom was £498.9 million (31 May 2022: £528.2 million), demonstrating the solid capital base.

£m	31 May 2023	31 May 2022
Shareholders' funds	**2,014.6**	**2,027.8**
Less foreseeable / declared dividends	(127.6)	(134.8)
Less remaining share buyback	(22.5)	-
Less goodwill and intangible assets	(829.9)	(833.7)
Less deferred tax assets	(23.2)	(17.5)
Less significant investment in financial sector entities	(13.7)	(14.8)
Less value adjustment for prudent valuation	(1.4)	(1.4)
Regulatory capital resources	**996.3**	**1,025.6**
Total requirement	**497.4**	**497.4**
Regulatory capital headroom	**498.9**	**528.2**

Consolidated Income Statement
for the year ended 31 May 2023

	Note	**Year ended 31 May 2023 £m**	Year ended 31 May 2022 £m
Continuing operations			
Trading revenue		**949.7**	982.0
Introducing partner commissions		**(7.9)**	(9.7)
Net trading revenue	2	**941.8**	972.3
Betting duty and financial transaction taxes		**(10.4)**	(2.5)
Interest income on client funds		**81.8**	3.5
Interest expense on client funds		**(1.0)**	(2.7)
Other operating income		**11.2**	8.6
Net operating income		**1,023.4**	979.2
Operating costs		**(583.8)**	(499.2)
Net credit losses on financial assets		**(1.1)**	(2.7)
Operating profit		**438.5**	477.3
Finance income		**30.2**	3.4
Finance costs		**(16.2)**	(14.8)
Gain on disposal of associates		**–**	4.1
Share of loss after tax from associates		**(2.6)**	(2.3)
Fair value gain on convertible loan note		**-**	9.3
Profit before tax		**449.9**	477.0
Tax expense	3	**(86.2)**	(80.9)
Profit for the year from continuing operations		**363.7**	396.1
Profit for the year from discontinued operations		**1.3**	107.8
Profit for the year attributable to owners of the parent		**365.0**	503.9
Earnings per ordinary share for profit from continuing operations:			
Basic	4	**86.9p**	92.9p
Diluted	4	**86.1p**	92.1p
Earnings per ordinary share for profit attributable to owners of the parent:			
Basic	4	**87.2p**	118.2p
Diluted	4	**86.4p**	117.2p

Consolidated Statement of Comprehensive Income

for the year ended 31 May 2023

	Year ended 31 May 2023		Year ended 31 May 2022	
	£m	**£m**	£m	£m
Profit for the year		**365.0**		503.9
Other comprehensive income:				
Items that may be subsequently reclassified to the Consolidated Income Statement:				
Changes in the fair value of financial assets held at fair value through other comprehensive income, net of tax	**(11.9)**		(4.0)	
Foreign currency translation gain attributable to continuing operations	**3.2**		67.4	
Foreign currency translation loss attributable to discontinued operations	**-**		(3.0)	
Other comprehensive (loss)/income for the year, net of tax		**(8.7)**		60.4
Total comprehensive income for the year		**356.3**		564.3
Total comprehensive income attributable to owners of the parent arising from:				
Continuing operations		**355.0**		459.5
Discontinued operations		**1.3**		104.8
		356.3		564.3

Consolidated Statement of Financial Position
as at 31 May 2023

	Note	**31 May 2023 £m**	31 May 2022 £m
Assets			
Non-current assets			
Goodwill	6	**611.0**	604.7
Intangible assets	7	**276.5**	292.1
Property, plant and equipment		**36.1**	36.6
Financial investments	8	**379.6**	134.8
Financial assets pledged as collateral	8	**–**	25.3
Investment in associates		**12.5**	14.8
Other investments		**1.2**	-
Prepayments		**0.3**	-
Deferred income tax assets	3	**23.2**	17.5
		1,340.4	1,125.8
Current assets			
Cash and cash equivalents	9	**798.5**	1,246.4
Trade receivables	10	**570.4**	469.5
Financial investments	8	**226.8**	200.9
Financial assets pledged as collateral	8	**–**	35.1
Other assets		**15.0**	14.2
Prepayments		**25.3**	23.2
Other receivables		**10.0**	9.8
Income tax receivable	3	**8.8**	-
		1,654.8	1,999.1
Assets classified as held for sale		**-**	1.2
TOTAL ASSETS		**2,995,2**	3,126.1
Liabilities			
Non-current liabilities			
Debt securities in issue	11	**297.6**	297.2
Other payables		**1.2**	-
Lease liabilities		**13.3**	13.0
Deferred income tax liabilities	3	**60.8**	67.2
		372.9	377.4
Current liabilities			
Trade payables	12	**478.0**	571.2
Other payables		**116.2**	119.5
Lease liabilities		**7.4**	8.9
Income tax payable	3	**6.1**	20.5
		607.7	720.1
Liabilities directly associated with assets classified as held for sale		**-**	0.8
TOTAL LIABILITIES		**980.6**	1,098.3

Consolidated Statement of Financial Position (continued)
for the year ended 31 May 2023

		31 May 2023 £m	31 May 2022 £m
Equity			
Share capital and share premium	14	**125.8**	125.8
Translation reserve		**120.8**	117.6
Merger reserve		**590.0**	590.0
Other reserves		**(16.9)**	8.4
Retained earnings		**1,194.9**	1,186.0
TOTAL EQUITY		**2,014.6**	2,027.8
TOTAL EQUITY AND LIABILITIES		**2,995.2**	3,126.1

The preliminary announcement was approved by the Board of Directors on 19 July 2023 and signed on its behalf by:

Charles Rozes
Chief Financial Officer
Registered Company number: 04677092

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

	Note	Share capital £m	Share premium £m	Translation reserve £m	Merger reserve £m	Other reserves £m	Retained earnings £m	Total £m
At 1 June 2021		-	125.8	53.2	81.0	12.8	860.5	1,133.3
Profit for the year and attributable to owners of the parent		-	-	-	-	-	503.9	503.9
Other comprehensive income/(loss) for the year		-	-	64.4	-	(4.0)	-	60.4
Total comprehensive income/(loss) for the year		-	-	64.4	-	(4.0)	503.9	564.3
Tax recognised directly in equity on share-based payments	3	-	-	-	-	-	0.5	0.5
Equity dividends paid	5	-	-	-	-	-	(186.2)	(186.2)
Employee Benefit Trust purchase of own shares		-	-	-	-	(6.7)	-	(6.7)
Transfer of vested awards from the share-based payment reserve		-	-	-	-	(7.3)	7.3	-
Equity-settled employee share-based payments		-	-	-	-	13.6	-	13.6
Issue of ordinary share capital for the acquisition of tastytrade		-	-	-	509.0	-	-	509.0
At 31 May 2022		-	125.8	117.6	590.0	8.4	1,186.0	2,027.8
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 (loss)/income for the year		**-**	**-**	**3.2**	**-**	**(11.9)**	**-**	**(8.7)**
Total comprehensive income/(loss) for the year		**-**	**-**	**3.2**	**-**	**(11.9)**	**365.0**	**365.3**
Tax recognised directly in equity on share-based payments	3	**-**	**-**	**-**	**-**	**-**	**1.0**	**1.0**
Equity dividends paid	5	**-**	**-**	**-**	**-**	**-**	**(188.1)**	**(188.1)**
Share buyback		**-**	**-**	**-**	**-**	**(2.1)**	**(176.6)**	**(178.7)**
Employee Benefit Trust purchase of own shares		**-**	**-**	**-**	**-**	**(14.6)**	**-**	**(14.6)**
Transfer of vested awards from the share-based payment reserve		**-**	**-**	**-**	**-**	**(7.6)**	**7.6**	**-**
Equity-settled employee share-based payments		**-**	**-**	**-**	**-**	**13.3**	**-**	**13.3**
Share-based payments converted to cash-settled liabilities		**-**	**-**	**-**	**-**	**(2.4)**	**-**	**(2.4)**
At 31 May 2023		**-**	**125.8**	**120.8**	**590.0**	**(16.9)**	**1,194.9**	**2,014.6**

Consolidated Statement of Cash Flows

for the year ended 31 May 2023

	Note	**Year ended 31 May 2023 £m**	Year ended 31 May 2022 £m
Operating activities			
Cash generated from operations[1]		**221.4**	810.6
Interest received on client funds		**75.8**	3.5
Interest paid on client funds		**(1.0)**	(2.7)
Income taxes paid		**(116.6)**	(99.2)
Net cash flows generated from operating activities		**179.6**	712.2
Investing activities			
Interest received		**25.6**	3.2
Net cash flow to investment in associates		**–**	(1.9)
Purchase of property, plant and equipment		**(11.6)**	(8.5)
Payments to acquire and develop intangible assets		**(14.6)**	(9.0)
Net proceeds from disposal of subsidiaries		**1.8**	143.3
Net proceeds from disposal of investments in associates		**0.2**	24.5
Net cash flow from financial investments		**(225.8)**	(57.1)
Net cash flow to acquire subsidiaries		**(4.8)**	(193.5)
Net cash flows used in investing activities		**(229.2)**	(99.0)
Financing activities			
Interest paid		**(12.2)**	(11.0)
Financing fees paid		**(3.2)**	(5.4)
Interest paid on lease liabilities		**(0.5)**	(0.6)
Repayment of principal element of lease liabilities		**(7.1)**	(7.5)
Drawdown on term loan		**–**	150.0
Repayment of term loans		**–**	(250.0)
Net proceeds from issue of debt securities		**–**	299.2
Payments made for share buyback		**(175.2)**	-
Equity dividends paid to owners of the parent	5	**(188.1)**	(186.2)
Employee Benefit Trust purchase of own shares		**(14.6)**	(6.7)
Net cash flows used in financing activities		**(400.9)**	(18.2)
Net (decrease)/increase in cash and cash equivalents		**(450.5)**	595.0
Cash and cash equivalents at the beginning of the year		**1,246.4**	655.2
Impact of movement in foreign exchange rates		**(0.7)**	(3.8)
Cash and cash equivalents at the end of the year	9	**795.2**	1,246.4

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

Notes
for the year ended 31 May 2023

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 2023 or 31 May 2022.

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 2023 in August 2023 and these will be delivered to the Registrar of Companies following the Company's Annual General Meeting on 20 September 2023.

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 2023. 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 2022 Annual Report, with the exception of changes in policy on presentation, and the following accounting policies adopted due new transactions in the year:

- equity arising from transactions with shareholders
- notional pooling arrangement

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.

Reclassification of comparatives
To ensure consistency with the current period, comparative figures have been reclassified where the presentation of the financial information has been changed. The adjustments are:

(i) Interest received on client funds of £81.8 million (31 May 2022: £3.5 million) and interest paid on client funds of £1.0 million (31 May 2022: £2.7 million) have been presented as separate line items in the Consolidated Statement of Cash Flows.

(ii) The ordering of the financial statement line items in the Consolidated Income Statement has been updated in the current year, to reflect a more appropriate presentation given changes in the business. As a result of changing interest rates, finance income (31 May 2023: £30.2 million; 31 May 2022: £3.4 million) and finance costs (31 May 2023: £16.2 million; 31 May 2022: £14.8 million) have increased. Accordingly, these line items are now presented immediately below the operating profit line.

New accounting policies
Notional pooling arrangement
The Group entered into a notional multi-currency pooling arrangement (the Pool). There is no legally enforceable right to offset the amounts due to the Pool against the amounts due from the Pool across different currencies, nor is there an intention for settlement to take place on a net basis, the Group shows a gross presentation for these balances on the Consolidated Statement of Financial Position, and amortises over the expected life of the security. The overdraft balance of the Pool is included in other payables.

1. Basis of preparation (continued)

Equity arising from transactions with shareholders

Upon entering into a contract with a bank or broker which includes an obligation for that bank or broker to acquire the Group's own shares, a financial liability is recognised at the present value of the amount payable to the bank or broker, taking into consideration the contractual terms with of the broker agreement, with a corresponding debit to the share buyback reserve, which is included within other reserves. Following initial recognition, the financial liability is measured in accordance with the Group's existing accounting policies for financial liabilities. The amount recognised in the share buyback reserve is reduced by the consideration paid for the purchase of own shares and transferred to retained earnings. The amount of the Group's issued share capital is reduced by the nominal value of the shares repurchased and transferred to the capital redemption reserve, which forms part of other reserves.

Where the contract to repurchase shares expires prior to completing the repurchase, and incomplete delivery of the shares has taken place, the remaining balance recognised in the share buyback reserve is reversed along with the remaining financial liability. Any consideration paid to acquire own shares which exceeds the amount initially recognised is a transaction related cost and recognised directly in equity.

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 shown below 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 is comprised of net trading revenue and net interest on client funds. In the prior year, the CODM were presented with a view of net trading revenue split by product. This change is due to net interest on client funds being a more significant source of revenue in the year ended 31 May 2023. The presentation for prior year comparatives has been updated to reflect this.

Total revenue by reportable segment

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

The segmental breakdown of total revenue is as follows:

	Year ended 31 May 2023 £m	Year ended 31 May 2022 £m
OTC derivatives	**782.0**	817.3
Exchange traded derivatives	**137.1**	121.2
Stock trading and investments	**22.7**	33.8
Net trading revenue	**941.8**	972.3
Net interest on client funds	**80.8**	0.8
Total revenue from continuing operations[1]	**1,022.6**	973.1
Total revenue from discontinued operations[1]	**-**	9.4

[1]Please refer Appendix 1 for the reconciliation to the Consolidated Income Statement

2. Segmental analysis (continued)

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 2023 £m	Year ended 31 May 2022 £m
Net trading revenue by geography		
UK	**322.0**	365.3
Japan	**99.3**	98.5
Australia	**99.8**	96.2
Singapore	**68.8**	74.1
EMEA Non-EU	**55.3**	53.5
Emerging markets	**39.5**	43.2
UK, APAC & Emerging markets	**684.7**	730.8
US	**140.9**	128.6
EU	**116.2**	112.9
Net trading revenue	**941.8**	972.3
Net interest on client funds - US	**50.4**	1.9
Net interest on client funds - Other	**30.4**	(1.1)
Total revenue from continuing operations	**1,022.6**	973.1
Total revenue from discontinued operations	**-**	9.4

The Group does not derive more than 10% of revenue from any one single client. In relation to prior year comparative information, the UK geographic segment, and the OTC derivatives segment, includes a £5.8 million foreign exchange gain arising from financing of the tastytrade acquisition in prior year. No such gains have been recognised in the current year.

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

	31 May 2023 £m	31 May 2022 £m
US	**770.7**	795.1
UK	**152.6**	133.8
EU	**5.7**	5.5
EMEA Non-EU	**4.7**	7.3
Australia	**0.4**	0.8
Japan	**1.9**	0.8
Singapore	**0.3**	-
Emerging markets	**0.1**	3.4
Total non-current assets	**936.4**	946.7

3. Taxation

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

	Year ended 31 May 2023 £m	Year ended 31 May 2022 £m
Current income tax		
UK corporation tax	**75.1**	79.1
Non-UK corporation tax	**24.3**	39.3
Adjustment in respect of prior years	**(6.1)**	(6.1)
Total current income tax	**93.3**	112.3
Deferred income tax		
Origination and reversal of temporary differences	**(7.4)**	(1.6)
Adjustment in respect of prior years	**0.8**	(1.0)
Impact of change in tax rates on deferred tax balances	**(0.1)**	0.3
Total deferred income tax	**(6.7)**	(2.3)
Total tax expense	**86.6**	110.0
Total tax expense attributable to:		
Continuing operations	**86.2**	80.9
Discontinued operations	**0.4**	29.1
Tax not charged to Consolidated Income Statement		
Tax recognised in other comprehensive income	**(6.2)**	0.5
Tax recognised directly in equity	**(1.0)**	(0.5)

Reconciliation of the total tax expense
The standard UK corporation tax rate for the year ended 31 May 2023 is 20%[1] (31 May 2022: 19%). 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 2023 £m	Year ended 31 May 2022 £m
Profit before taxation		
From continuing operations	**449.9**	477.0
From discontinued operations	**1.7**	136.9
Total profit before tax	**451.6**	613.9
Profit multiplied by the UK standard rate of corporation tax of 20%[1] (year ended 31 May 2022: 19.0%)	**90.3**	116.7
Higher taxes on overseas earnings	**3.4**	7.9
Adjustment in respect of prior years	**(5.3)**	(8.2)
Expenses not deductible for tax purposes	**1.6**	0.8
Patent Box deduction	**(3.2)**	(7.0)
Impact of change in tax rates on deferred tax balances	**(0.1)**	0.3
Recognition and utilisation of losses previously not recognised	**(0.4)**	(1.2)
Current year losses not recognised as deferred tax assets	**0.3**	0.7
Total tax expense attributable to:	**86.6**	110.0
Continuing operations	**86.2**	80.9
Discontinued operations	**0.4**	29.1

[1]Blended UK corporation tax rate, being 10 months of 19% and 2 months of 25%.

3. Taxation (continued)

The effective tax rate for the year is 19.2% (31 May 2022: 17.9%).

In the UK, a corporation tax rate of 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. This will impact the Group's future tax charge accordingly. 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 2023	31 May 2022
	£m	£m
Tax losses available for offset against future profits	**3.8**	3.7
Temporary differences arising on share-based payments	**4.8**	3.7
Temporary differences arising on fixed assets	**1.1**	2.1
Other temporary differences	**13.5**	8.0
	23.2	17.5

Deferred income tax liabilities

	31 May 2023	31 May 2022
	£m	£m
Temporary differences arising on business combinations	**(57.6)**	(62.9)
Temporary differences arising on fixed assets	**(0.2)**	(0.2)
Other temporary differences	**(3.0)**	(4.1)
	(60.8)	(67.2)

4. Earnings per ordinary share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners 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 and shares repurchased and cancelled under the share buyback programme. Diluted earnings per share is calculated using the same profit figure as that used in basic earnings per share and by adjusting the weighted average number of ordinary shares assuming the vesting of all outstanding share scheme awards.

	Year ended 31 May 2023	Year ended 31 May 2022
Earnings attributable to owners of the parent (£m)	**365.0**	503.9
Weighted average number of shares		
Basic	418,693,685	426,289,898
Dilutive effect of share-based payments	3,869,357	3,614,236
Diluted	**422,563,042**	429,904,134

	Year ended 31 May 2023	Year ended 31 May 2022
Basic earning per ordinary share	**87.2p**	118.2p
- Attributable to continuing operations	**86.9p**	92.9p
- Attributable to discontinued operations	**0.3p**	25.3p
Diluted earning per ordinary share	**86.4p**	117.2p
- Attributable to continuing operations	**86.1p**	92.1p
- Attributable to discontinued operations	**0.3p**	25.1p

5. Dividends paid and proposed

	Year ended 31 May 2023	Year ended 31 May 2022
	£m	£m
Final dividend for FY22 at 31.24 pence per share (FY21: 30.24p)	**133.2**	130.3
Interim dividend for FY23 at 13.26 pence per share (FY22: 12.96p)	**54.9**	55.9
	188.1	186.2

The final dividend for the year ended 31 May 2023 of 31.94 pence per share was proposed by the Board on 19 July 2023 and has not been included as a liability at 31 May 2023. This dividend will be paid on 19 October 2023, following approval at the Company's AGM, to those members on the register at the close of business on 22 September 2023.

6. Goodwill

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

	31 May 2023	31 May 2022
	£m	£m
At the beginning of the year	**604.7**	107.3
Additions – business acquisition	**-**	462.4
Disposals	**-**	(13.4)
Impact of foreign exchange movement	**6.3**	48.4
At the end of the year	**611.0**	604.7

Goodwill has been allocated for impairment testing purposes to cash-generating units (CGU) as follows

	31 May 2023	31 May 2022
	£m	£m
US	**509.2**	502.8
UK	**100.9**	100.9
South Africa	**0.8**	0.9
Australia	**0.1**	0.1
	611.0	604.7

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 2022: £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 was determined using the VIU method. For all CGUs, the recoverable amount was higher than the carrying value. The Group's largest goodwill balance is associated with the US CGU.

6. Goodwill (continued)

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 rate.

Future cash flow projections:

The future cash flow projections cover a period of four years, reflecting the period over which the Board strategically assess performance. A declining growth rate of 16.0%-6.0% was used to extrapolate the final year of the four-year forecast period for a further three years. The terminal value was calculated based on the seventh year. The growth rate for the years five to seven was applied as the US business is not expected to reach a steady state growth rate by the end of year four.

The cash flow projections are based on the most recent four-year plan and 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 cost growth, which impacts the 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 in line with revenue projections and cost growth reflects higher marketing expenditure and continued investment in technology. The cashflow projections also take into account assumptions relating to working capital requirements and capital expenditure.

The forecasts do not include revenues arising from tastytrade’s planned expansion outside of the US market.

Long-term growth

The regional long-term growth is used to extrapolate the cash flows to perpetuity for each CGU. The forecast period of four years is extrapolated for a further three years using a declining growth rate, reducing the rate down to a long-term growth rate of 2.0% (31 May 2022: 2.0%) which has been applied to derive a terminal value based on the cash flows in year seven.

Discount rate

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 a post-tax WACC. At the date of the 2023 impairment assessment the pre-tax discount rate applied to the seven-year cash flow period and thereafter, to determine the recoverable amount is 19.6%. For the 2022 impairment assessment, if the four-year cash flows were extrapolated for three years in line with the current year methodology, a discount rate of 19.8% would have been applied. The year on year movement in the discount rate is as a result of the impact of rising interest rates being offset by a reduction in entity specific risk premiums included in the discount rate.

The recoverable amount determined for a seven-year cash flow period for 31 May 2023 and 31 May 2022 would be the same as that determined for a four-year cash flow period with an adjusted pre-tax discount rate applied.

6. Goodwill (continued)

Sensitivity to changes in key assumptions

The recoverable amount at 31 May 2023 exceeds the carrying amount of the cash-generating unit by £27.0 million. The assessment excludes the projected future cash flows arising from tastytrade's planned expansion outside the US market. Were the projected cash flows from international expansion included this would add headroom.

The impact of sensitivities to reasonable changes in a single variable and the change required to reduce headroom to nil are shown in the following table

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

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

Future cash flow projections

The future cash flow projections cover a period of four years, reflecting the period over which the 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.

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 four years, a long-term growth rate of 2.0% (31 May 2022: 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 2023	31 May 2022
UK	**14.0%**	12.0%
Australia	**16.0%**	13.0%
South Africa	**21.0%**	18.0%

6. Goodwill (continued)

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. Intangible assets

	Customer relationships	Trade names	Non-compete agreements	Internally developed software	Domain names	Software and licences	Total
	£m	£m	£m	£m	£m	£m	£m
Net book value – 31 May 2022	161.9	58.7	25.8	26.7	14.7	4.3	292.1
Net book value – 31 May 2023	**147.1**	**55.2**	**19.7**	**34.8**	**11.0**	**8.7**	**276.5**

8. Financial investments and financial assets pledged as collateral

	31 May 2023	31 May 2022
	£m	£m
UK Government securities	**606.4**	351.1
Term deposits	**-**	45.0
	606.4	396.1
Split as:		
Non-current portion	**379.6**	160.1
Current portion	**226.8**	236.0
	606.4	396.1

The Group held £372.3 million UK Government securities as at 31 May 2023 (31 May 2022: £289.9 million) to satisfy margin requirements.

Following the introduction of the Uncleared Margin Rules (UMR) which came into effect in September 2022, the Group is required to pledge collateral, which is held in segregated custody accounts, to meet the initial margin requirements of certain brokers. Previously initial margin requirements were met with a combination of cash and UK Government securities held in unsegregated accounts. As a result of this change, the UK Government securities held by the Group has increased. The business model for holding UK Government Securities is unchanged and so the Group continues to recognise and measure the assets as fair value through other comprehensive income. Additionally, as at 31 May 2023, the Group holds £35.0 million of financial assets which are not recognised on balance sheet as collateral from certain brokers to satisfy the requirements of UMR.

9. Cash and cash equivalents

	31 May 2023	31 May 2022
	£m	£m
Cash at bank	**627.4**	808.9
Money market funds	**171.1**	437.5
	798.5	1,246.4

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 2023, IG Bank S.A. was required to hold £34.8 million (31 May 2022: £35.1 million) in satisfaction of this requirement. This amount, which represents restricted cash, is included in the cash at bank balance above.

9. Cash and cash equivalents (continued)

The amount of segregated client funds held at 31 May 2023 was £2,303.9 million (31 May 2022: £2,577.9 million). Included within these balances is £232.5 million (31 May 2022: £236.7 million) of segregated client funds for customers of the Group's Japanese subsidiary, IG Securities Limited. Under local Japanese law, the Group is liable for any credit losses suffered by clients on the segregated client money balance. 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 2023	31 May 2022
	£m	£m
Cash and cash equivalents	**798.5**	1,246.4
Amounts due to the Pool	**(3.3)**	-
Balances as per Consolidated Statement of Cash Flows	**795.2**	1,246.4

10. Trade receivables

	31 May 2023	31 May 2022
	£m	£m
Amounts due from brokers	**486.6**	381.0
Own funds in client money	**79.4**	85.5
Amounts due from clients	**4.4**	3.0
	570.4	469.5

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 Group.

Own funds in client money represent the Group's own cash held in segregated client funds, in accordance with the UK's Financial Conduct Authority (FCA) CASS rules and similar rules of other regulators in whose jurisdiction the Group operates and includes £24.7 million (31 May 2022: £7.6 million) to be transferred to the Group on the following business day.

Amounts due from clients arise when a client's total funds held with the Group are insufficient to cover any trading losses incurred by the client or when a client utilises a trading credit limit. Amounts due from clients are stated net of an allowance for impairment.

11. Debt securities in issue

In FY22 the Group issued £300.0 million 3.125% senior unsecured bonds due in 2028. The issued debt has been recognised at fair value less transaction fees. As at 31 May 2023, £1.7 million unamortised arrangement fees are recognised on the Statement of Financial Position (31 May 2022: £2.0 million).

The Group also has access to a £350.0 million revolving credit facility, which has increased as a result of two accordions to the existing revolving credit facility being signed in FY23. The Group has the option to request an increase in the revolving credit facility size to £400.0 million. The Group also had the option to request a maturity extension of one year, which was exercised in FY23. The revolving credit facility will now mature in October 2025. In addition, the Group has the option to extend the maturity for a further year, subject to borrower request and lender consent.

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.

12. Trade payables

	31 May 2023	31 May 2022
	£m	£m
Client funds		
UK	**253.9**	359.0
US	**56.1**	34.1
EU	**55.4**	71.6
EMEA Non-EU	**49.0**	48.8
Singapore	**1.1**	1.5
Japan	**4.9**	4.4
Total client funds	**420.4**	519.4
Issued turbo warrants	**2.7**	1.5
Amounts due to brokers	**48.6**	28.0
Amounts due to clients	**6.3**	22.3
	478.0	571.2

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 derivatives 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 represent balances that will be transferred from cash and cash equivalents into segregated client funds on the following business day in accordance with the UK's Financial Conduct Authority CASS rules and similar rules of other regulators in whose jurisdiction the Group operates.

13. Contingent liabilities and provisions

In the ordinary course of business, 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 is subject to a group of related claims that could have a financial impact of approximately £20.5 million as at 31 May 2023 (31 May 2022: £20.6 million). There have been no significant developments during the year and it is still not possible to determine whether any amounts will be payable to the clients. As a result, no provision has been recognised.

The Group has received notice of a class action served against one of its operating entities during the financial year ended 31 May 2023. There has been no significant development since the claim was served and it is not possible to determine amounts that could be payable to the clients. As a result, no provision has been recognised.

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.

The Group does not expect there to be other contingent liabilities that would have material adverse impact on the Group Financial Statements. The Group had no material provisions as at 31 May 2023 (31 May 2022: £nil).

14. 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 31 May 2021	370,299,455	-	125.8
Issued during the year	61,275,000	-	-
At 31 May 2022	431,574,455	-	125.8
Shares bought back and immediately cancelled	(22,626,613)	-	-
At 31 May 2023	**408,947,842**	**-**	**125.8**

In prior year, the Group issued 61,000,000 shares as part of the total consideration for the acquisition of tastytrade Inc. The shares were issued on 28 June 2021 and upon issue the total value of the shares was £509.4 million, based on the closing share price on 28 June 2021. The issue of shares was determined to qualify for merger relief under section 612 of the Companies Act 2006, and the amount in excess of the nominal value of the ordinary shares was recognised in the merger reserve, along with issue costs of £0.4 million which were directly attributable to the issue of the shares.

On 21 July 2022, the Group announced a share buyback programme with a maximum aggregate market value equivalent to £150.0 million, to be completed in two tranches of £75.0 million each. It was also announced that all shares repurchased as part of the programme would be cancelled. The first tranche commenced on 21 July 2022 and completed on 12 October 2022, with the purchase and cancellation of 9,613,152 shares. The second tranche commenced on 25 October 2022 completed on 20 March 2023, with the purchase and cancellation of 9,635,113 shares.

On 25 January 2023, the Board approved an additional share buyback programme of up to £50.0 million. This commenced on 1 April 2023 and as at 31 May 2023 has resulted in the purchase and cancellation of 3,571,441 shares.

As at 31 May 2023 the Group has repurchased 22,819,706 shares, with an aggregate nominal value of £1,140.99, for total consideration of £176.6 million (including related costs of £0.8 million). As at 31 May 2023 the Group had 193,093 shares repurchased but not cancelled.

During FY22, 275,000 ordinary shares with an aggregate nominal value of £13.75 were issued to the Employee Benefit Trust to satisfy the exercise of Sustained Performance Plan and Long-term Incentive Plan awards for consideration of £13.75. 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.

15. Subsequent events

During the period from 1 June 2023 to 17 July 2023, the Group repurchased 3,386,082 ordinary shares with a nominal value of 0.005p for an aggregate purchase amount of £23.0 million (including related costs of £0.1 million), bringing the total number of shares repurchased under the share buyback programme to 26,205,788.

On 19 July, the Board approved an additional share buyback programme of £250 million. It is anticipated that the programme will commence under the existing shareholder authority granted at the 2022 AGM and will conclude under the authority proposed for approval at the 2023 AGM, following approval at the 2023 AGM .

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

Appendices

Appendix 1

Adjusted total revenue

£m	FY23	FY22
Net trading revenue (Note 2)	941.8	972.3
Interest income on client funds	81.8	3.5
Interest expense on client funds	(1.0)	(2.7)
Foreign exchange gain associated with the tastytrade acquisition	-	(5.8)
Adjusted total revenue	**1,022.6**	**967.3**

Adjusted operating costs

£m	FY23	FY22
Operating costs	583.8	499.2
- Net credit losses on financial assets	1.1	2.7
Operating costs inc. net credit losses	**584.9**	**501.9**
- Operating costs relating to the tastytrade acquisition and integration	(2.7)	(2.0)
- Amortisation on tastytrade acquisition intangibles and recurring non-cash costs	(37.0)	(31.7)
- Operating costs relating to the Nadex sale	(4.2)	(3.3)
Adjusted operating costs	**541.0**	**464.9**

Adjusted profit before tax and earnings per share

£m (unless stated)	FY23	FY22
Earnings per share (p) (Note 4)	86.9	92.9
Weighted average number of shares for the calculation of EPS (millions)	418.7	426.3
Profit after tax	**363.7**	**396.1**
Tax expense	86.2	80.9
Profit before tax	**449.9**	**477.0**
- Foreign exchange gain associated with the tastytrade acquisition	-	(5.8)
- Operating income relating to the Nadex sale	(3.3)	(1.5)
- Operating costs relating to the Nadex sale	4.2	3.3
- Amortisation on tastytrade acquisition intangibles and recurring non-cash costs	37.0	31.7
- Operating costs relating to the tastytrade acquisition and integration	2.7	2.0
- Financing costs relating to the debt issuance	-	1.0
- Gains on sale of Small Exchange and disposal of Zero hash	-	(4.1)
- Movement in the FV of convertible debt associated with Zero Hash	-	(9.3)
Adjusted profit before tax (A)	**490.5**	**494.3**
Adjusted tax expense	(94.0)	(83.8)
Adjusted profit after tax	**396.5**	**410.5**
Adjusted earnings per share (pence per share)	**94.7**	**96.3**
Adjusted total revenue (B)	**1,022.6**	**967.3**
Adjusted PBT margin (A/B) %	**48.0%**	**51.1%**

Total revenue – High Potential Markets and tastytrade

£m	FY23	FY22	Pro forma FY22	Change %	Pro forma change %
High Potential Markets	207.0	139.7	148.3	48%	40%
Tastytrade	170.3	111.9	120.5	52%	41%

Appendix 2

Operating lease net liabilities

£m	31 May 2023	31 May 2022
Right-of-use assets[1]	18.5	19.9
Lease liabilities (current)	(7.4)	(8.9)
Lease liabilities (non-current)	(13.3)	(13.0)
Operating lease net liabilities	**(2.2)**	**(2.0)**

[1]Amounts identified as right-of-use assets from property, plant and equipment

Own cash

£m	31 May 2023	31 May 2022
Cash and cash equivalents (Note 9)	798.5	1,246.4
Financial investments – termed cash (Note 8)	-	45.0
Less: cash held to meet liquid asset threshold requirement	(65.0)	(45.5)
Less: amounts due to the Pool	(3.3)	-
Own cash	**730.2**	**1,245.9**

Issued debt

£m	31 May 2023	31 May 2022
Debt securities in issue	(297.6)	(297.2)
Unamortised fees capitalised[1] (Note 11)	(1.7)	(2.0)
Issued debt	**(299.3)**	**(299.2)**

[1] Unamortised arrangement fees recognised in debt securities in issue

Financial investments

£m	31 May 2023	31 May 2022
Financial investments and financial assets pledged as collateral (Note 8)	606.4	396.1
Less: Financial investments held at broker (Note 8)	(372.3)	(289.9)
Financial investments	**234.1**	**106.2**

Net amounts due from brokers

£m	31 May 2023	31 May 2022
Financial investments – UK Government securities held at brokers (Note 8)	372.3	289.9
Trade receivables – amounts due from broker (Note 10)	486.6	381.0
Trade payables – amounts due to broker (Note 12)	(48.6)	(28.0)
Other assets	15.0	14.2
Net amounts due from brokers	**825.3**	**657.1**

Own funds in client money

£m	31 May 2023	31 May 2022
Trade receivables – own funds in client money (Note 10)	79.4	85.5
Less: trade payables – amounts due to clients[1]	(4.3)	(21.3)
Own funds in client money	**75.1**	**64.2**

[1]Amounts considered as part of own funds

Liquid asset threshold requirement

£m	31 May 2023	31 May 2022
Financial investments – regulatory liquidity requirements	-	61.2
Cash held to meet regulatory liquidity requirements	65.0	45.5
Liquid asset threshold requirement	**65.0**	**106.7**

Working capital

£m	31 May 2023	31 May 2022
Prepayments (non-current)	0.3	-
Prepayments (current)	25.3	23.2
Amounts due from clients (Note 10)	4.4	3.0
Unamortised fees capitalised (Note 11)	1.7	2.0
Other receivables	10.0	9.8
Other payables – other borrowings	(1.2)	-
Other payables – accruals	(109.4)	(112.6)
Other payables – payroll taxes, social security and other taxes	(3.5)	(6.9)
Trade payables – amounts due to clients[1]	(2.0)	(1.0)
Working capital	**(74.4)**	**(82.5)**

[1]Amounts considered part of working capital

Net own funds generated from operations

£m	FY23	FY22
Cash generated from operations	221.4	810.6
Interest received on client funds	75.8	3.5
Interest paid on client funds	(1.0)	(2.7)
Cash generated from total operations	296.2	811.4
- Increase in other assets	(0.8)	(16.1)
- Increase/(decrease) in trade payables	95.3	(209.4)
- Increase/(decrease) in trade receivables	102.5	(37.7)
- Repayment of lease liabilities	(7.1)	(7.5)
- Interest paid on lease liabilities	(0.5)	(0.6)
- Fair value movement in gilts	(18.1)	(3.6)
Own funds generated from operations (A)	**467.5**	**536.5**
Profit before tax (B)	449.9	477.0
Conversion rate from profit to cash (A/B) %	**104%**	**112%**

Net own funds movement from acquisitions and disposals of investments in subsidiaries and associates

£m	FY23	FY22
Net cash flow to investment in associates	-	(1.9)
Net proceeds from disposal of subsidiaries	1.8	143.3
Proceeds from disposal of investments in associates, net of cash disposed	0.2	24.5
Net cash flow to acquire subsidiaries	(4.8)	(193.5)
Net own funds derecognised upon disposal of subsidiary	-	(2.7)
Net own funds recognised upon acquisition of subsidiary	-	15.6
Net own funds movement from acquisitions and disposals of investments in subsidiaries and associates	**(2.8)**	**(14.7)**