TISE
The International Stock Exchange

Annual Report & Consolidated Financial Statements

For the year ended 31 December 2023

Dublin. Guernsey. Isle of Man. Jersey. London.

tisegroup.com

Contents

Our Performance

Turnover

£10.8 million ↑ 8.5%

Profit after tax

£4.9 million ↑ 18.1%

Net profit margin

44.9% ↑ 8.7%

Basic EPS

171.3 p ↑ 17.7%

Official List

4,262 securities ↑ 6.0%

Total market value

£674 billion ↑ 4.3%

New listings

842 securities ↓ 11.9%

Issuers

2,355 ↑ 2.4%

Percentage figures: Movement since FY 2022
Net profit margin: Profit for the financial year / Turnover x 100
Official List & Issuers: Figures as at 31 December 2023
New listings: Figures for FY 2023
Total market value: The total value of all securities admitted to the Official List as at 31 December 2023

I am pleased to report that during our landmark 25th anniversary year we set several records for financial and operational performance across the business.

Building on our achievements in 2021 and 2022, the Group delivered another strong performance, reporting record turnover, profit and earnings per share. The size and value of the public market reached new highs at the year end and we launched and onboarded our first client for our new private markets service, TISE Private Markets.

Today, the Board is pleased to announce the payment of a special dividend of £2.00 per share. This takes the total cash returned to shareholders through dividends during the last six years to £9.64 per share, of which £6.52 has been distributed since the beginning of 2021. The Board remains committed to rewarding shareholders whilst reinvesting in the future of the business.

During the year the traded price of the Company's shares rose to £18.00, with MIH East Holdings, Limited [MEH] acquiring a second tranche of shares in October. The Board is pleased to welcome MEH as the Group's largest shareholder and views their investment as a further endorsement of the Group's excellent progress in the execution of our strategy to sustain growth.

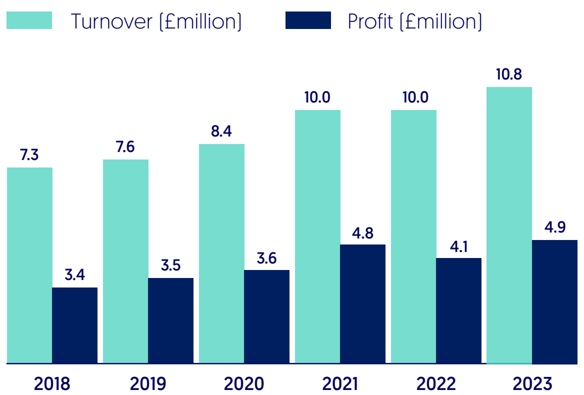
Strategy

The new records for financial and business performance in 2023 demonstrate the success of our strategy in supporting growth through changing market conditions and trends. Central to the growth and diversification strategy is the scaling up and diversification of our core bond market proposition and the introduction of new and innovative products and services.

While the challenging macro-economic conditions continued to subdue listing volumes, the Group performed well during 2023. Across the year, listings activity remained robust. We listed a record number of new bond issuances, comprising entirely new security classes, as well as further issues to existing listings. We made a breakthrough into the market for listing Collateralised Loan Obligations [CLOs]. The total number of listings on the Official List increased again to reach 4,262 at year end, further extending the record high.

We also launched TISE Private Markets, and onboarded our first client company, Blue Diamond Limited. We anticipate this innovative offering will be highly attractive to many more unlisted companies and it represents a significant landmark in the delivery of our strategy.

Fees generated from new listings, together with annual fees from across the public and private markets, contributed to record turnover of £10.8 million in 2023 [2022: £10.0 million]. Revenue increases were predominantly driven by the continued growth in the size of our bond market, combined with a targeted uplift to our bond and equity listing fees effective from October 2022.



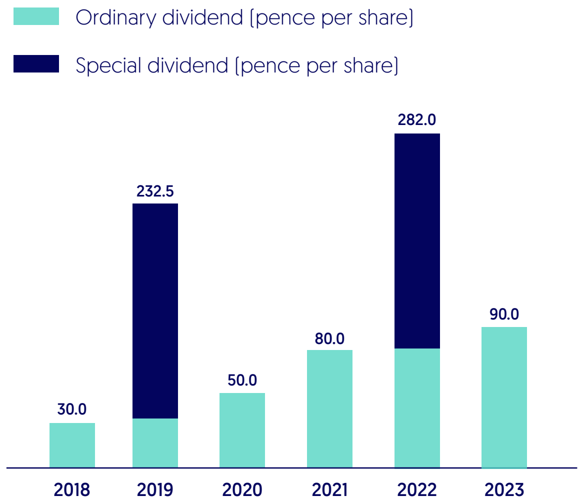
Profit after taxation reached a record £4.9 million in 2023 [2022: £4.1 million] and basic earnings per share increased to a new high of 171.3p [2022: 145.6p]. These were in line with our expectations, reflecting the effect of the subdued macro-economic climate on listing volumes, the revenue-generating impact of market growth and higher fees, as well as our controlled acceleration of investment in our strategy to diversify and scale up the business.

Operating costs increased to £6.3 million in 2023 [2022: £5.8 million]. Expenditure was carefully managed throughout the year and within our expectations. Strategic investment included the initial investment towards the replacement of the Group's core technology stack which will streamline operational processes, strengthen risk management practices and contribute towards improved operating margins over the medium term. In addition, costs relating to the development of TISE Private Markets totalled £564,000 in 2023 [2022: £176,000].

Financial position

The Group has enjoyed significant growth and remains highly cash generative. We have a strong and liquid balance sheet, with net assets of £10.0 million at 31 December 2023 [31 December 2022: £7.7 million].

During the year, the Board declared ordinary dividends of 43p per share [paid in April 2023] and 47p per share [paid in October 2023] in line with the Group's Dividend Policy. Together, these dividends represent a return to shareholders of more than £2.6 million during the year and are in addition to almost £8.0 million returned to shareholders during 2022.



The Board has a responsibility to retain sufficient capital in support of the Group's operations, including meeting all regulatory obligations and executing our strategy to deliver greater diversification and scale. The Board allocates capital on this basis and where there are excess funds, seeks to return them to shareholders. As referenced earlier, the Board has declared a special dividend of £2.00 per share [to be paid in April 2024].

The Board continues to be advised by Investec Bank plc as Financial Adviser as we remain focused on our Investor Relations activities with the aim of increasing the Group's visibility and improving the liquidity of the Company's shares. We have also continued to engage independent research consultants Hardman & Co. to undertake and distribute sponsored research reports on the Group [latest report September 2023]. These reports are disseminated to their network of individuals, institutions, IFAs and media outlets, including Bloomberg, Thomson Reuters and LexisNexis, and in the second half of last year this work was extended to include a podcast and a video interview to engage with a wider audience.

Succession

At the beginning of 2024 we welcomed the appointment of Nick Bayley as Chair of The International Stock Exchange Authority Limited, the Group's wholly owned subsidiary, which regulates the operation of our public market. Nick has served as a Non-Executive Director of the Authority since 2021 and succeeds Rob Trefny, who stepped down to spend more time in the US with his family.

I would like to place on record our sincere thanks to Rob for his contribution and wish him well for the future. In February 2024 we announced the appointment of Philip Braun, who joins Nick on the board of the Authority as a Non-Executive Director. I would like to congratulate Nick and Philip on their appointments and look forward to working with them.

Outlook

Built on a culture of responsiveness and innovation, TISE has established itself as an experienced operator of public markets and transformed from a local stock and bond market into a leading European stock exchange for international bond listings. With the launch of TISE Private Markets and an enlarged portfolio of financial markets and securities services, the Group is well positioned for long-term growth.

I would like to thank Cees, the senior leadership team and all our staff, as well as my fellow Board members, for their contribution to the progress we have made to date in delivering this strategy. I remain available to any shareholders wishing to discuss matters further and thank them for their continued support.

Anderson Whamond
Chair
19 March 2024

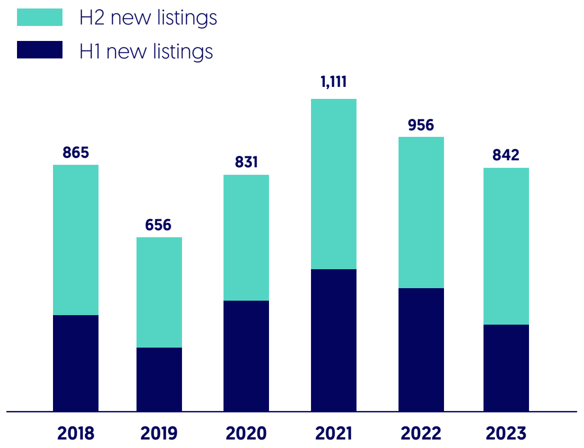
It is extremely rewarding that we were able to celebrate our 25th anniversary year in 2023 by reaching several key milestones. We delivered record turnover, profits and earnings per share, record numbers of new bond issuances and total listings on our public market, as well as the launch and onboarding of the first client for our new private markets service, TISE Private Markets.

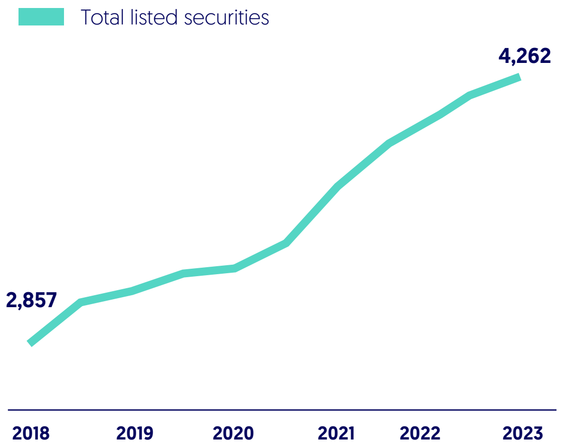
The uncertainty generated by geopolitical instability, persistently high inflation and rising interest rates which had characterised the second half of 2022, continued to depress the debt capital markets throughout 2023. This subdued transactional activity overall but, by remaining focused on the efficient and secure listing of bonds offered to institutional and professional investors, we maintained our market leader position in specific segments. We also diversified our product base – including a breakthrough into the market for listing Collateralised Loan Obligations (CLOs) – and expanded our geographical reach. This demonstrates the value and resilience of our offering through changing market conditions.

We continued to invest in the business to support the scaling up and diversification of our core bond market proposition and the introduction of new and innovative products and services. I am delighted that we launched TISE Private Markets, and onboarded our first client company, Blue Diamond Limited. We see strong opportunities to diversify our business and revenues by continuing to invest in the ongoing enhancement of our proposition in the private markets.

Markets and products

With 842 newly listed securities on TISE, the continued macro-economic headwinds dampened listing volumes during 2023 [2022: 956]. Despite this, with those new listings comfortably outstripping the delisting rate, there was a 6.0% increase year on year in the total number of securities admitted to our Official List, which reached a record high of 4,262 at 31 December 2023 [31 December 2022: 4,020]. At 31 December 2023, the combined market value of these listings also reached a new record of £674 billion [31 December 2022: £646 billion].





Bonds

TISE's core offering is our Qualified Investor Bond Market (QIBM). Across the year, listings activity remained robust, although there was an uptick in applications during the second half of the year. There was a 9.5% increase year on year in the total number of new issuances listed across QIBM during 2023, with a record 2,596 new issuances listed in 2023 [2022: 2,370], comprising 827 entirely new security classes, as well as an additional 1,769 further issues to existing listings. New transactions included private equity debt securities, convertibles, bond programmes, high yield bonds, securitisations and, for the first time in several years, a pipeline of CLOs.

Listing volumes had been the most depressed in products, such as high yield bonds, with the greatest exposure to the broader debt capital markets but it was the increasing activity levels within this asset class which most visibly reflected the broader uptick in applications during the second half of the year. With 22 high yield bonds listed during the first half of the year, there was a total of 73 listed on TISE in 2023, which represents growth of 43% year on year [2022: 51]. With a record 420 high yield bonds on our market in total, we have retained our position as one of the leading exchanges in Europe for listing high yield bonds.

The securitisation market has not seen such a resurgence but our growing status as a listing venue for securitisations was reflected in a 5.8% increase in the number of listings on our Exchange, with a new high of 508 at 31 December 2023 [31 December 2022: 480]. We have built on this trend with our expansion into the CLO market. With 31 new CLO listings during 2023, we were delighted to have won market share in this product line, reflecting international regulatory changes as well as underscoring the competitiveness of our offering. Our bespoke CLO proposition has been tailored to the needs of market participants listing warehousing financings, CLO transactions and refinancings, and includes an all-inclusive CLO lifecycle fee which is unique to our Exchange.

At the same time, we continued to show robust performance in the number of bond programmes with securities listed on TISE. With a 14.5% increase in the number of securities listed on TISE from programmes, we finished the period with a total of 86 bond programmes listing 403 securities on the market at 31 December 2023 [31 December 2022: 83; 352].

The relative resilience of M&A activity and the value to our clients of a well-trodden path to listing helped maintain robust listing volumes, especially in private equity debt securities. There were 423 private equity debt securities newly listed during 2023, which contributed to growth in the total number of private equity debt securities on the market by 8.3% to a record 1,977 at 31 December 2023 [31 December 2022: 1,826]. The private equity sector remains relatively strong with a significant amount of capital to be deployed and TISE remains a leading venue for the listing of securities related to this transactional activity.

The Qualifying Asset Holding Companies (QAHC) regime, which was introduced in April 2022, has had limited impact to date on Quoted Eurobond Exemption (QEE) related listings. The QEE route, combined with a listing on TISE, continues to provide issuers and their advisers with a cost-efficient and expeditious solution.

Equities

The number of equity securities listed on TISE fell marginally during the year, with 229 securities listed on the equity market at 31 December 2023 [31 December 2022: 235]. With 15 newly listed securities admitted to our equity market during the year, new transaction volumes were flat compared to a year previously [2022: 16]. These new listings comprised three open ended investment vehicles and 12 closed ended investment vehicles, of which nine were UK Real Estate Investment Trusts (REITs). We continued to build our share of the market for listed UK REITs and further secured our position as the second largest listing venue for the product type.

New listings of UK REITs were up 80% on a year previously [2022: 5] and ensured that the total number of UK REITs listed on our equity market remained 43 at 31 December 2023 [31 December 2022: 43]. This is impressive given that changes to the UK REIT regime mean structures no longer need to satisfy the listing requirement where institutional investors hold at least 70% of the ordinary share capital of the REIT. We continued to see applications from REITs which may meet this condition but want the certainty of qualifying for the REIT regime and a listing on TISE means that this is achieved through a proven, efficient, pragmatic, and cost-effective admissions process.

Sustainable finance

Since launching our sustainable finance segment in 2021, sustainable issuers, green bonds, sustainable bonds, sustainability-linked bonds and humanitarian catastrophe bonds have been admitted to TISE Sustainable. Responding to market demand, in 2022 we launched a transition offering within TISE Sustainable so that we can cater for transition bonds and transition issuers, further supporting initiatives which lead to a lower carbon economy and society as part of the hugely important efforts to secure a just transition to net-zero.

Admissions to the segment slowed during the second half of 2022 and into last year, mirroring the conditions in the debt capital markets more broadly. For example, the single admission to TISE Sustainable in the first half of 2023 was a sustainability-linked bond from telecommunications brand, Liberty Costa Rica. The uptick in listing applications during the second half of the year, most evident within the high yield bond market, was also reflected in increased demand for sustainable financing when the global leader in the production of natural soda ash, WE Soda, became the first issuer to be admitted to TISE Sustainable by virtue of holding an ESG rating. The second admission to the segment during the year, it demonstrated the continued growth and evolution of our sustainable finance segment [2022: 3].

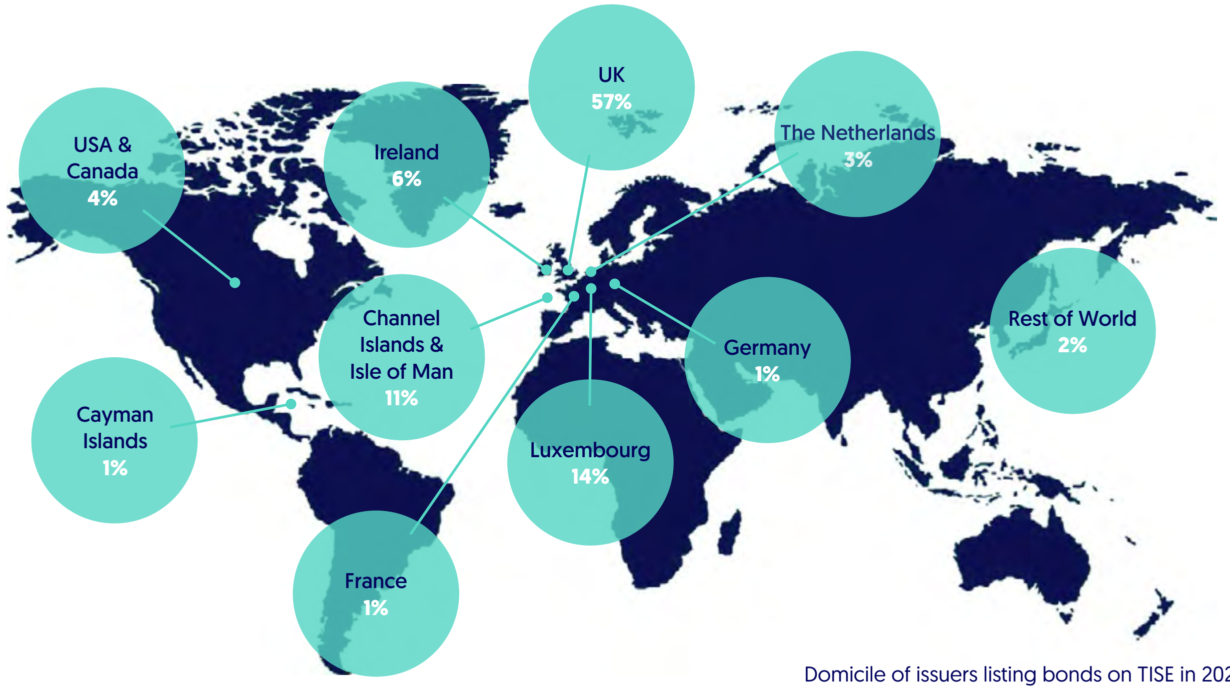
At 31 December 2023, the total value of all listings on TISE supporting environmental, social and sustainable initiatives grew to £20.5 billion [31 December 2022: £13 billion], reflecting the continued increase in capital being allocated to these asset classes by a wide range of investor groups.

Global reach

In 2023, the UK remained the largest single source of new business but for the second year in a row, 25% of all securities listed on QIBM originated from the EU, including issuers from Austria, France, Germany, Ireland, Luxembourg, Sweden and The Netherlands. At the same time, up from 1% in 2022, around 4% of new business came from the US and Canada during last year.

This increase in new business originating from North America coincides with our breakthrough into the CLO market. To capitalise on these trends, last year we expanded our programme of conference participation to include attendance at the key European event specific to CLOs and in 2024 we will be broadening our geographical reach by promoting our offering for securitisations and CLOs directly within the US at leading industry events.

The geographic diversification of our bond listings business has been underpinned by the growth and internationalisation of Member firms who facilitate business on TISE. Our international Membership base grew again in 2023, with our first new Member from Bermuda and one from Jersey, taking the total number of Listing and Trading Members to 44 at 31 December 2023 [31 December 2022: 43]. These come in addition to those firms from Ireland who have joined as Members of TISE in the last three years and as the leading listing agents for Euronext Dublin's GEM market, they are now positioned to directly facilitate listings on our market. This demonstrates the strong appetite internationally for listing bonds on TISE.



Domicile of issuers listing bonds on TISE in 2023

Private markets

Beyond our public market, during 2023 we were delighted to launch our new, innovative private markets offering, TISE Private Markets. Providing private companies with access to a set of integrated, tailored electronic auction trading, settlement and registry management solutions, our unique service gives unlisted companies a much more efficient way to trade their shares than the ad-hoc arrangements that are the norm in private companies.

We were very pleased to welcome Blue Diamond Limited, the leading garden centre group based in the UK and Channel Islands, as the first company to join TISE Private Markets. The company is a well-known Channel Islands success story that has the right profile to join a public market and so we are proud that instead they choose to support us in the development of this service. We expect that our offering will be highly attractive to other companies which are in a similar position to Blue Diamond Limited of being privately owned or currently quoted on public markets but seeking to return to a private ownership model.

To capitalise on this latent demand, we appointed Alex Taylor as our London-based business development lead for TISE Private Markets. He joined us in July last year following several commercial leadership roles, including most recently at an investment bank in the City, to spearhead our strategy for generating a sales pipeline for our private markets offering. In support of this activity, we appointed H/Advisors Maitland as our London-based strategic communications consultancy to help us develop a leading brand position in the private markets at a time when other market operators are now developing their own offering but do not yet have a fully functioning and adopted solution.

The number of private companies in the UK that have more than 100 employees has grown by 3,096 over the last decade to nearly 19,148, while the number of listed companies has reduced by 270 during the same period [data sources: UK Government and Bloomberg, 2014-2023]. We see strong opportunities to diversify our business and revenues by continuing to invest in the development and refinement of our proposition in the private markets.

Operations & client service

The controlled acceleration of investment into our strategy combined with our strong turnover meant that last year we increased our net profit margin year on year to 44.9% [2022: 41.3%]. We continue to invest in the delivery of our strategy, with a specific focus on modernising our technology platform and enhancing our private markets offering.

Our expansion into the private markets has followed several years' research and development but more sizeable investment was required last year to deliver the successful launch and onboarding of our first client for TISE Private Markets. We continue to invest in both an incremental addition of human resource and the enhancement of our integrated technology platform to ensure that we maintain the high-quality client service which is vital to fully capitalise on the opportunities afforded by the growth of the private markets.

At the same time, we have continued to invest in providing an enhanced experience for our clients in the public markets, which includes an enlarged portfolio of products and services, such as CLOs. Our success in this product line reflects international regulatory changes and the competitiveness of our offering, which includes client service standards such as our introduction last year of a market leading "2+1" review timeframe for CLOs, which can be more time sensitive transactions. This built on our existing TISE Guarantee of a "3+1" review timeline for listing all other bonds and equities and is an industry competitive standard that provides much sought after certainty to our clients.

To support delivery of further growth in our core bond market, we have embarked on a re-platforming programme which involves a major overhaul of our core technology stack. As well as strengthening market analysis capability and risk management practices, the re-platforming will provide a modern, efficient and simplified service. This is a complex but essential project. It will provide us with a modern technology platform from which we can add significant scale in our core markets and service a diversified range of products.

Oversight of this programme will be led by Nick Jenkins who was appointed Chief Technology Officer in January 2024. Nick has nearly 35 years' experience working within IT, supporting the financial services industry in Guernsey and internationally in London, Amsterdam, and Bangalore. He joined our IT team in January 2023 and this new role will see him focus on shaping and executing the technological strategy of the Group, primarily driving the shift to new, cutting edge systems.

Corporate sustainability

As part of our commitment to deliver a business model which is sustainable over the longer term, we took a number of steps last year to move forward with our sustainability agenda.

We have agreed Board level targets and commitments for the Group and introduced new policies to help improve our environmental performance. Our target is to be Net Zero on Scope 1 and 2 (operational) emissions by 2050. We have also committed to take practical steps to minimise our Scope 3 (value chain) emissions, while offsetting any remaining Scope 3 emissions.

Using ESI Monitor's FutureTracker platform, we collated initial emissions data from our business operations and calculated our first emissions footprint. Our total reported emissions footprint for 2022 was 34.80 tCO2e or 0.82 tCO2e per FTE. The majority of these emissions were reported under Scope 3 (30.37 tCO2e), with the largest contributors being business travel, commuting and energy usage whilst working from home. We offset our reported Scope 3 emissions for 2022 by supporting the gold standard offset project, The Nicaforest High Impact Reforestation Program. Alongside climate action, this project also provides educational opportunities and shared economic growth amongst the local community.

We will continue working to reduce emissions from our business operations and provide reporting on the progress we are making against our targets and commitments. As more Scope 3 data becomes available to us, we expect to increase the breadth of our reporting in this area for example, events and conferences, IT hardware and data centre hosting.

For many years the Group has been an active supporter of the communities in which our staff live and work. Each year staff choose a local community project or not-for-profit organisation to partner with and provide support through both fundraising and volunteering days. All funds raised by our staff through these activities are matched by the Group. Last year we raised more than £18,000 for the Priaulx Premature Baby Foundation, a charity which supports families from the Channel Islands with premature babies and sick children. We also made smaller donations to charities providing similar services in Dublin, Jersey and London.

To mark our 25th anniversary and in addition to our charity fundraising, staff undertook 25 separate activities to support our local communities. This included participating in the Sure Guernsey Marathon, the Saffery Rotary Walk, and the Canaccord Genuity Inter-Firm Relay, as well as a tree planting scheme organised through Jersey Finance. In addition, the Group provided corporate sponsorship for the Guernsey Women's football team, Guernsey netballer McKenzie Rich, the Island Games sailing competition, world championship sailor Andrew Bridgman, and Vauvert Primary School's Dragons' Den competition.

I am delighted with the support we were able to provide to our communities and would like to thank all of our staff for their generous contributions.

Outlook

We have made very good progress in executing our strategy despite the macro-economic headwinds. Those difficult market conditions are still inhibiting transactional activity and may persist for the foreseeable future but we are continuing to see a robust pipeline of new listings from an expanded client base. Our investment into an increasingly scalable and diversified business model means that we are in an excellent position to make the most of the opportunities which emerge, especially with the return of improved market conditions and the enhancement of our private markets proposition.

Many thanks to our Chair, Anderson Whamond, and my fellow Board members for their support. I would also like to thank the senior leadership team and all our staff for their contribution to our success while also showing both continued commitment and flexibility in adopting changes which put us in a much stronger position for the future. I look forward to continuing to work with all of our stakeholders during what I hope will be a successful 2024. As always, I welcome the chance to discuss our progress in executing this strategy to deliver a business model for sustaining future growth and encourage shareholders to get in touch.

Cees Vermaas
CEO
19 March 2024

The Board recognises the importance of corporate governance and its contribution to promoting the long-term success of the Company. As Chair, I have overall responsibility for the leadership and governance of the Board and for promoting high standards of integrity, probity and governance throughout the Group.

The Group's vision, mission and values articulate the ambition for our business and define our common beliefs. The Group's values of being responsible, curious and connected foster a culture of accountability, efficiency and innovation which supports sustainable business growth, underpins delivery of our strategy and promotes the Group's success over the long-term.

The Board determines the Group's strategy and overall commercial objectives, ensuring that our organisation is run effectively for the long-term benefit of our shareholders and other key stakeholders. The Group's strategy is based on developing our existing proposition within the international bond markets and expanding our product and service offering to enlarge and diversify our revenue streams and mitigate business concentration risk.

As Chair, I am responsible for setting the Board's agenda and for ensuring that all Directors have the necessary time, information, understanding and support to effectively contribute their skills and experience to inform Board discussions and shape the Group's strategic direction. I am also responsible for ensuring that the views of our shareholders are communicated to the Board as a whole and I am pleased to make myself available to any shareholder wishing to discuss matters.

The Board has continued to adopt and apply the ten principles of the Quoted Companies Alliance Corporate Governance Code (QCA Code) throughout the year. The Board has reviewed the governance framework and confirms that the Company has complied with the principles of the QCA Code during the year. Further information about our compliance with the QCA Code is set out on pages 13 to 22 and on our corporate website.

Anderson Whamond
Chair

19 March 2024

Governance framework

The Group is committed to high standards of corporate governance and has implemented an effective governance framework. The Group's legal structure ensures that the supervisory and regulatory activities of The International Stock Exchange Authority Limited (the Authority) are appropriately ringfenced within the broader commercial interests of the Group. The segregation of potentially conflicting interests is achieved on a day-to-day basis through the operation of ethical walls and information barriers.

Board leadership

The Board is responsible for directing and supervising the management of the Company and for enhancing long-term shareholder value. The Board determines the Group's strategy, commercial objectives and budget, and monitors the performance of the Company and management against the goals and objectives it has set. The Board has overall responsibility for establishing high standards of business conduct and behaviour, managing risks and ensuring that internal controls are implemented to meet ongoing compliance with applicable legislation, rules and codes.

The roles of the Chair and Chief Executive Officer are distinct and separate with a clear division of responsibilities, which are set out in writing. The Chair is responsible for the leadership of the Board and for creating the conditions for overall Board and individual Director effectiveness. The Chair ensures that all Directors actively participate in Board and committee meetings and effectively contribute their skills and experience to inform discussions and shape the Group's strategic direction.

The Chief Executive Officer has overall responsibility for leading the development and execution of the Group's strategy, for implementing the decisions of the Board and for managing the day-to-day operations of the Company within the risk appetite and strategy set by the Board. The Chief Executive Officer is a visible advocate of the Group's values and actively encourages all staff to demonstrate the values within their everyday working practices.

The Board benefits from highly committed, competent Directors with a broad range of experiences. The Chief Executive Officer is supported by an established senior management team with significant expertise in their respective fields.

Composition and skills

The Board is considered to be a suitable size and includes an appropriate combination of skills, experience, independence and other characteristics which promote a diversity of perspectives and ensure that it operates effectively in overseeing development and delivery of the strategy. The Board takes decisions collaboratively and there is collective responsibility for achieving success.

As at 31 December 2023, the Board comprised the Chief Executive Officer, Chief Financial Officer and four independent Non-Executive Directors (including the Chair). Following a review of Board composition in early 2023, Julia Chapman joined the Board as a Non-Executive Director on 31 March 2023. Stuart Turner, who had served as a Non-Executive Director since 2014, stepped down from the Board at the conclusion of the 2023 Annual General Meeting held in August 2023.

The Board benefits from Directors with specific expertise in financial markets infrastructure, corporate services, corporate finance, listed company obligations, accountancy, law, marketing, technology and change management. The Board comprises Directors with the collective experience, skills, capability and other characteristics which are required to develop and deliver the Group's strategy for the long-term benefit of our shareholders and other key stakeholders.

Appointment and tenure

The Board has implemented a rigorous and transparent process to identify candidates for appointment as a Director. Upon the recommendation of the Nominations Committee, the Board makes decisions regarding the appointment and re-election of Directors as well as on their removal.

Although there is no standing requirement for the Directors to offer themselves for re-election at given intervals, the Board has determined that all Directors should be subject to election by shareholders at the first Annual General Meeting following their appointment and to re-election thereafter at intervals of no more than three years.

The Nominations Committee reviews succession planning in conjunction with the Board performance review and Director skills matrix, and makes recommendations to the Board. The Board benefits from having Directors with a variety of lengths of service and succession is managed as circumstances arise.

Anderson is independent Non-Executive Chair of the Board, having served as a Non-Executive of the Company since 2017. He is also a member of the Audit Committee, Nominations Committee and Remuneration Committee.

Background, Experience and Skills

Anderson is a Director of a number of listed and non-listed investment companies and has over 40 years' experience in the banking and financial sector. He began his career with Credit Suisse First Boston and worked for several international institutions before relocating to Hong Kong to run the equity trading businesses of Peregrine Investment Holdings. In 1998, he joined the Regent Pacific Group as Head of Corporate Investments and relocated to the Isle of Man. He joined Charlemagne Group in 2002 and was a Director of AIM quoted Charlemagne Capital until 2009.

Time Commitment: 7 - 8 days a month

Cees is the Chief Executive Officer of the Company, a position he has held since November 2020. With a strong focus on strategy, business development and infrastructure, he is responsible for all aspects of leadership and management of the Company. He aims to work with and create enhanced value for the Group's stakeholders, including its staff, members, issuers and shareholders.

Background, Experience and Skills

Cees has more than 25 years' experience within international financial market infrastructure. He has held senior executive positions within several international exchanges, including CEO of CME Europe Ltd, CEO of Euronext Amsterdam and Head of European Cash Markets for NYSE Euronext. Prior to that, he spent a decade working in IT and programme management roles within leading Netherlands based companies Philips and Delta Lloyd Group. He holds a degree in Business Administration and Industrial Engineering from The Hague University of Applied Sciences.

Time Commitment: Full Time

Julia joined the Board in March 2023 as an independent Non-Executive Director. She is Chair of the Nominations Committee and a member of the Remuneration Committee.

Background, Experience and Skills

Julia is a solicitor qualified in England and Wales and in Jersey. She has more than 30 years' experience in the investment fund and capital markets sector. After training with Simmons & Simmons, she became a partner of Mourant in Jersey before being appointed General Counsel to the firm's fund administration division. Following its acquisition, she was appointed European Senior Counsel in State Street's alternative investment services division. In 2012, Julia co-found Altair Partners, focusing on the provision of directorship and governance services to alternative investment funds.

Time Commitment: 4 - 5 days a month

Guy is an independent Non-Executive Director of the Company and was appointed to the Board in February 2014. He is also Chair of the Group's Remuneration Committee and a member of both the Nominations Committee and Risk Committee.

Background, Experience and Skills

Guy is an Advocate of the Royal Court of Jersey and qualified as a solicitor in England and Wales. He is a partner of Carey Olsen in Jersey where his practice covers a wide range of corporate law, including M&A, IPO and equity capital market advice, private equity transactions and special corporate situations. Prior to joining Carey Olsen in 2006, he practised corporate law at the London office of the international law firm Skadden Arps, Slate, Meagher & Flom (UK) LLP.

Time Commitment: 4 - 5 days a month

Gill Morris
Non-Executive Director

Gill joined the Board in January 2021 as an independent Non-Executive Director. She is also Chair of the Group's Audit Committee and a member of the Risk Committee.

Background, Experience and Skills

Gill is a Chartered Accountant and Chartered Tax Adviser. She runs her own consultancy business and has more than 35 years' experience working in Australia, London and Guernsey. Initially qualifying within the 'big four', she spent 26 years with Specsavers Optical Group holding several senior leadership positions, latterly as Director of Risk and Government Affairs. She has previously held a number of public office panel and scrutiny roles relating to tax and finance in Guernsey.

Time Commitment: 4 - 5 days a month

Andrew Watchman
CFO

Andy is Chief Financial Officer of the Company, a position he has held since May 2021. In his role, Andy is responsible for the delivery of the Group's financial strategy, with a focus on creating long term sustainable value for all of the Group's stakeholders.

Background, Experience and Skills

Andy joined the Group in October 2017 as a Senior Finance Manager. He has more than 15 years' experience working within the financial services industry, having previously worked at Kleinwort Benson in Guernsey for 12 years where he held a number of senior positions before joining the Group. He is a Fellow Member of the Association of Chartered and Certified Accountants (FCCA) and holds the Diploma in Company Direction, issued by the Institute of Directors.

Time Commitment: Full Time

Independence

The Board reviews the independence of the Non-Executive Directors as part of the annual Board performance review. The Board has determined that all Non-Executive Directors are considered to be independent. Whilst Guy Coltman's tenure has now exceeded nine years, the Board has determined that he remains independent and provides an important point of continuity for the Board and the Company's stakeholders.

All Directors are aware of and fulfil their duties and by doing so exercise, both individually and collectively, objective and independent judgement. In arriving at this conclusion, the Board also considers other relevant qualities, such as the Directors' experience, knowledge, professional background, integrity and ethics.

Meetings and attendance

The Board receives timely and focused reporting to enable the Directors to comprehensively assess the financial and operational performance of the Group and its key risks throughout the year. The Board papers include detailed information on business activities and financial performance, including the activities and performance of the Authority. Outside of the meeting cycle, the Chair engages with the Directors both collectively and individually to discuss matters of business.

The Board has four meetings and three interim calls scheduled and supplements these with additional ad hoc calls and meetings as required. An agenda plan is produced prior to the start of each year which ensures that all matters of importance to the Company are considered by the Board and appropriate meeting time is allocated to enable proper debate.

The Nominations Committee reviews the time required from the Non-Executive Directors and whether they are spending enough time to fulfil their duties. The attendance record of each of the Directors at Board and committee meetings held during the year is detailed in the table below.

Training and development

Directors are provided with a comprehensive induction upon appointment and undertake ongoing professional development to ensure that their knowledge remains current and they are up to date with industry trends. Where development needs are identified, either individually or collectively, the Group supports individuals seeking training or additional information to perform their role.

All Directors have access to the advice and support of the Company Secretary and may seek external professional advice, at the Company's expense, should they require it. The Nominations Committee and Remuneration Committee are both authorised to engage external consultants to assist them with their work.

Annual performance review

The performance of the Board, its Chair and individual members is formally evaluated using a self-assessment questionnaire. The summarised and anonymised results of the evaluation are considered by the Nominations Committee and Board and, where areas for improvement are identified, remedial actions are agreed. The Nominations Committee and Board also review progress made against the actions agreed during the prior year's evaluation.

	Board	Audit Committee	Nominations Committee	Remuneration Committee	Risk Committee
Anderson Whamond	11	4	8	6	-
Cees Vermaas	11	-	-	-	-
Julia Chapman	10 [1]	-	4 [2]	3 [2]	-
Guy Coltman	7	-	6	6	4
Gill Morris	10	4	-	-	3 [2]
Andrew Watchman	11	-	-	-	-
Stuart Turner	3 [3]	-	2 [4]	2 [4]	1 [4]
No. of meetings held	**11**	**4**	**8**	**6**	**5**

[1] Appointed to the Board on 31 March 2023
[2] Appointed to the Committee on 1 July 2023
[3] Resigned from the Board on 8 August 2023
[4] Resigned from the Committee on 30 June 2023

Group Committees

The Board, together with the board of the Authority, has established four Group committees to oversee specific areas and activities: Audit Committee, Risk Committee, Nominations Committee and Remuneration Committee. Each of the committees has terms of reference detailing their roles and responsibilities and these are reviewed by the Board at least annually. The Board is represented on each of these committees by at least two Non-Executive Directors and the committees provide regular reporting to the Board on their activities. Whilst these committees may provide advice and make recommendations to the Board in respect of any areas within their remit, it remains the responsibility of the Board to agree and approve any action required.

Audit Committee

The committee is chaired by Gill Morris, with Philip Braun (Non-Executive Director, Authority) and Anderson Whamond appointed as members. Philip Braun was appointed to the committee effective 1 February 2024 and Nick Bayley (Non-Executive Chair, Authority) stepped down as a member of the committee on 31 January 2024. The Chief Executive Officer and Chief Financial Officer have standing invitations to attend committee meetings, and do so, but the committee holds at least one meeting with the auditor without management present.

The committee meets at least three times per year and reviews the Company's financial reports, recommending them to the Board for approval. The committee considers the integrity of the financial reporting and whether it presents a fair, balanced and understandable account to assess the Company's financial performance, business model and strategy. The committee reports to the Board on any significant financial reporting issues or judgements which the reports contain.

The committee oversees the relationship with the external auditor and assesses its performance, resources and independence together with the effectiveness of the audit process. The committee reviews the nature and extent of non-audit services provided and receives confirmation from the auditor of their independence on at least an annual basis. The committee recommends the appointment of the auditor, including the terms of engagement and fee, to the Board.

The committee reviews the adequacy and effectiveness of the Group's internal controls and risk management practices implemented by management to effectively identify, assess, manage and control financial risks. The committee is also responsible for assessing whether an internal audit function is required. The committee has reviewed the current position with regard to internal audit and, within the overall context of the Group's scale, risk management framework and the work of Compliance, Finance and the external auditor, determined that an internal audit function is not currently required. This will continue to be kept under review as the Group develops.

Risk Committee

The committee is chaired by Nick Bayley, with Philip Braun, Guy Coltman and Gill Morris appointed as members. Stuart Turner stepped down from the committee effective 30 June 2023 and was succeeded as committee chair by Nick Bayley. Gill Morris and Philip Braun were appointed to the committee effective 1 July 2023 and 1 February 2024 respectively. Rob Trefny stepped down as a member of the committee on 31 December 2023. The Chief Executive Officer, Chief Governance Officer, Head of Listings and Head of Market Regulation have standing invitations to attend committee meetings and do so.

The committee meets on an at least quarterly basis and reviews the Group's significant risks within the context of the Group's approved strategic objectives and overall risk appetite. During 2023, the committee's activities focused in particular on the project to replace the Group's core technology stack, cyber security measures, preparations for Guernsey's MONEYVAL assessment and greenwashing risks. The committee reviews the adequacy and effectiveness of the internal controls and risk management practices implemented by management to effectively identify, assess, manage and control key business and non-financial risks.

The committee reviews the Group's non-financial controls such as regulatory compliance, data protection, business continuity and cyber security. The committee considers the remit, independence and resourcing of the risk and compliance functions to ensure that they are able to perform their activities effectively.

Nominations Committee

The committee is chaired by Julia Chapman, with Guy Coltman and Anderson Whamond appointed as members. Julia Chapman was appointed to the committee effective 1 July 2023 and succeeded Anderson Whamond as committee chair from 1 January 2024. Stuart Turner and Rob Trefny stepped down as members of the committee on 30 June 2023 and 31 December 2023 respectively. Where appropriate, the Chief Executive Officer and Head of HR are invited to attend committee meetings and do so.

The committee meets at least twice per year and reviews the structure, size, balance and composition (including the skills, knowledge, experience and diversity) of the Group boards. The committee makes recommendations to the Group boards in respect of candidates for appointment as director and, where relevant, the re-election of directors, having due regard to their performance and ability to continue to contribute. The committee monitors the leadership needs of the Group and considers succession planning for the Group's directors and other senior executives.

During 2023, the Committee's recommendations included the appointment of Julia Chapman to the Board, the appointment of Nick Bayley as Chair of the Authority, the appointment of Philip Braun to the board of the Authority and changes to the membership of the Group committees.

Remuneration Committee

The committee is chaired by Guy Coltman, with Julia Chapman and Anderson Whamond appointed as members. Julia Chapman was appointed to the committee effective 1 July 2023. Stuart Turner and Rob Trefny stepped down as members of the committee on 30 June 2023 and 31 December 2023 respectively. Where appropriate, the Chief Executive Officer and Head of HR are invited to attend committee meetings and do so.

The committee meets at least twice per year and reviews the remuneration strategy of the Group, including the balance between fixed and performance related, immediate and deferred remuneration, within the context of the Group's strategic objectives and risk appetite. The committee reviews and makes recommendations to the Board on the total compensation package of each of the Group's directors and senior executives. The committee also makes recommendations to the Board in respect of share awards and, where relevant, associated performance conditions. The committee reviews the level and structure of the remuneration, bonuses and incentives for staff more broadly and oversees any material changes to employee benefits.

During 2023, the committee continued to monitor market conditions and the competitiveness of remuneration across the Group, designed and introduced a new employee share option scheme and carried out a review of Non-Executive Director fees.

Prior to issuing the Notice of the Annual General Meeting, the committee undertook a programme of engagement with the Company's major shareholders regarding proposals for the new employee share option scheme. In response to the feedback received, the committee reduced the size of the scheme and introduced an annual limit on awards.

A resolution to authorise the Board to determine the remuneration of the Directors for 2025 will be proposed at the forthcoming Annual General Meeting.

Risk management

The Group has implemented an enterprise-wide risk management framework to identify, assess, manage and control its actual and potential risks. The effectiveness of the internal controls is regularly reviewed by management, the Audit Committee, the Risk Committee and the Board.

The Group's values of being responsible, curious and connected foster a culture of accountability, efficiency and innovation which support the Group's vision and mission and promote a corporate culture based on ethical behaviours and conduct. The Chief Executive Officer is a visible advocate of the Group's values and actively encourages all staff to demonstrate the values within their everyday working practices.

The Board has overall responsibility for establishing high standards of business conduct and behaviour, risk management and the internal control framework. However, such systems of internal control can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board considers that the Group's internal controls are appropriate to the size, complexity and risks posed by its activities.

Principal risks and uncertainties

The Group's business activities are subject to a variety of risks, both specific to its business activities and of a general nature, which may individually or cumulatively, materially and adversely affect its business, operations and financial performance. The Board has identified the following key risks.

Strategic risks

Global economy – The Exchange's core bond market proposition attracts a diverse range of international companies from across a spectrum of industries. Uncertainty and underperformance in the global economy may lead to reduced demand for listings in our bond market or sectors of our bond market, which could adversely impact the Group's financial and operational performance.

The Board monitors ongoing developments and assesses the potential impact on the Group's growth strategy. Steps are being taken to diversify the Exchange's core bond market, by both product type and geographical origin, through the internationalisation of the membership base and continued refinement of the listing proposition. This should both mitigate against the worst effects of the downturn and put the Exchange in a strong position to capitalise on the return of more favourable market conditions.

Legal and regulatory changes – The Group operates within a complex and dynamic legislative, regulatory and fiscal environment. Changes to that environment, including in other jurisdictions, could significantly influence the type and volume of new business and could strengthen or erode the Exchange's competitive position.

The current uncertainty surrounding the UK's future regulatory environment post-Brexit is both an opportunity and a threat in terms of the Group's strategy. The Qualifying Asset Holding Companies (QAHC) regime, which was introduced in April 2022, has had a limited impact on Quoted Eurobond Exemption (QEE) related bond listings to date. If the QAHC regime, which currently remains largely unknown and untested by the professional advisory community, is subsequently widely adopted as common practice, this could significantly reduce demand for QEE related bond listings and consequently adversely impact the Group's financial performance.

The Group actively monitors the regulatory environment and the Board considers the potential impact of any relevant changes on the Group's business model and strategy. The Group engages with industry groups and the professional advisory community to stay abreast of proposed changes. The Group is positioned to respond quickly to the changing environment to ensure that the Exchange remains competitive and maximises opportunities for new products or markets.

Business concentration – A failure to diversify the business and an overreliance on certain products, markets and revenue streams could risk leaving the Group's business model exposed. Regulatory changes, competition or reduced demand for listings in our bond market or sectors of our bond market could significantly and adversely impact the Group's financial and operational performance. The Board monitors ongoing developments and uses scenario stress testing to determine the potential impact on the Group's business model and strategy.

The Board continues to focus on expanding the Exchange's product and service offering to both enlarge and diversify the Group's revenue streams and mitigate business concentration risk in the future. Beyond the existing core bond market proposition, steps are being taken to further diversify revenue streams, including the launch of our new, innovative offering within the private markets.

Competition – The capital markets landscape continues to evolve quickly, with mainstream exchanges diversifying beyond their traditional business models and smaller exchanges and new entrants (such as digital asset platforms and technology providers) looking for niche opportunities. The Group is positioned to respond quickly to the changing environment, ensuring that the Exchange remains relevant and competitive, whilst also seeking to identify opportunities to develop new products and markets.

The Exchange's core bond market proposition operates within a highly competitive environment and is subject to external pressure on products, servicing and pricing. The Group actively monitors the market and the Board considers the potential impact of any relevant changes on the Group's business model and strategy.

Competition within the private markets is building as traditional exchanges look to capitalise on the trend for companies staying private. A number of market operators have announced their intention to develop their own offerings, including the London Stock Exchange Group. This could lead to a reduced demand from companies to join TISE Private Markets but there is expected to continue to be a divergence of market models, regulatory approach and pricing.

Business risks

Reputation – The Group's strong reputation and robus regulatory framework are extremely valuable to the business. The reputation of the Exchange may be impacted by poor conduct, decision making or any of the key risks crystallising. Any events which impact the Group's reputation and brand could adversely affect the Group's financial and operational performance as well as being potentially damaging to the reputation of Guernsey and the Channel Islands more broadly. Reputational risks are considered by the Board as part of the strategy formulation process. The Authority has implemented rigorous processes to risk assess and review suitability for listing and membership at both take on and on an ongoing basis and remains committed to maintaining high standards of risk management.

Transformation – To support the delivery of growth in our core bond market proposition, the Group has embarked upon a re-platforming programme to replace the Exchange's core technology stack. The existing bespoke IT systems have developed incrementally over the past decade to service the Exchange's evolving business model but have become increasing difficult to support and develop. As well as strengthening market analysis capability and risk management practices, the re-platforming will provide TISE and its Members with a modern, efficient and simplified service. The change programme, which is expected to last throughout 2024, has acceptable levels of financial and operational risks associated with it. The Group has engaged external expertise to assist management with the planning and delivery of the project.

Technology and information security – A failure of the Group's technology and systems could materially impact the delivery or integrity of its services or the security of its data. The financial services industry continues to be subject to sophisticated cyber-attacks, with a widely reported surge in state sponsored attacks and artificial intelligence offering new ways to exploit human and technological vulnerabilities. A successful attack against the Group could result in the theft or leakage of data or disruption to the availability or integrity of our systems or data. This could result in a significant loss of confidence in our market and services, with damage to our reputation and brand.

The performance of the Group's systems is closely monitored and the Group continues to invest in its technology and control environment to safeguard its systems and data. The Group's major incident response plan is supported by regular testing of controls and compulsory cyber security training. In early 2024, the Group announced the appointment of Nick Jenkins as Chief Technology Officer, with this new role focused on shaping and executing the Group's technology strategy.

Key personnel – The retention and development of our employees is central to the timely delivery of our strategy. The recruitment markets across the Channels Islands and UK remain tight and highly competitive across a range of skillsets and seniorities. The requirement to recruit senior staff with specific industry expertise from the UK is, and is expected to remain, a practical necessity for a business which is unique in the Channel Islands.

The Group currently benefits from management with extensive experience and knowledge of the Exchange's markets, products and clients and a high performing workforce. The new employee share option scheme is an important means by which to attract and retain senior employees, as well as aligning their incentives to the performance of the Company.

In line with our corporate values of being responsible, curious and connected, the sharing of innovative ideas, knowledge and expertise is encouraged throughout the business to develop our staff at every stage of their career. The Group has taken a number of proactive steps to support staff wellbeing over the past few years and, as a result, has benefited from good levels of staff retention.

Climate related risk – Climate change is a growing area of focus for regulators, companies, investors and other stakeholders. Government policies to support the transition to a low carbon economy, and the development of associated disclosure obligations, are emerging at pace and are likely to have a wide-ranging impact on market participants. The Group's climate related transition risks, both in respect of the market it operates and as a business, are closely connected with other reputational, commercial and compliance risks. The Group actively monitors the regulatory environment and competitor developments. It is positioned to respond quickly to changes in regulatory, competitor or investor requirements, ensuring that the Exchange remains competitive and maximises opportunities for new products or markets.

During 2023, the Group undertook a data gathering and emissions benchmarking exercise to assess the impact of its business operations on the environment. The Board has set Net Zero targets and commitments focused on long-term value creation and preservation and will be reporting on its progress in this area.

Shareholder relations

The Board is committed to ensuring that it communicates with shareholders in a transparent and timely manner through the provision of accessible and high-quality information. The Board releases information to shareholders and the market throughout the year and responds to queries from shareholders on an ongoing basis.

The Board publishes periodic trading updates and market announcements in accordance with the Listing Rules and uses the annual and interim financial statements, the news and investor relations pages on the corporate website and the Group's social media channels to provide further information to current and prospective shareholders.

The Chair is responsible for ensuring that the views and concerns of shareholders are communicated to the Board as a whole. The Board reviews proxy voting reports and, where there is any significant dissent, seeks to engage with the relevant shareholders to understand and resolve any issues. Outside of formal engagements, contact details for the Chair and Chief Executive Officer are included on the website to enable shareholders to communicate with the Board should they wish to share their views. The Chair makes himself available to shareholders at all times.

The Annual General Meeting is the Company's primary forum for communicating with shareholders. Notice of the Annual General Meeting is issued at least ten days prior to the meeting and shareholders are encouraged to attend. Conferencing facilities are provided for the meeting to enable the Board to engage with all shareholders through an online presentation and live Q&A session. The Chair and Chief Executive Officer make themselves available for further discussion both prior to and following the meeting. The Chair and, where possible, the other Non-Executive Directors attend the Annual General Meeting and are available to answer questions raised by shareholders. All resolutions are voted on separately and a market announcement is published confirming whether the resolutions proposed have been passed.

Directors' report

The Directors submit their annual report and audited consolidated financial statements of The International Stock Exchange Group Limited (the Company or TISEG) and its wholly owned subsidiary The International Stock Exchange Authority Limited (the Subsidiary or Authority) (together the Group) for the year ended 31 December 2023.

Background

The Company was incorporated in Guernsey on 14 November 2013 (Registered No. 57524) and listed on The International Stock Exchange (the Exchange or TISE) on 23 June 2016. The Authority was also incorporated in Guernsey on 14 November 2013 (Registered No. 57527).

Principal activity

The principal activity of the Group is the operation of an investment exchange by the Authority. The Authority is licensed to operate an investment exchange by the Guernsey Financial Services Commission (the GFSC) under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the POI Law). At a meeting of the States of Deliberation on 26 March 2014, the Authority was granted a statutory limitation of liability in respect of certain specified regulatory functions conferred on it by conditions to its licence issued by the GFSC.

Results and dividends

The results of the Group for the year are set out on page 31. Dividends totalling £2,556,900, were paid during the year (2022: £7,962,620). A dividend of 43.0p per share was declared on 29 March 2023 and paid on 24 April 2023. A further dividend of 47.0p per share was declared on 4 September 2023 and paid on 9 October 2023.

Directors of the Company

The Directors of the Company who held office during the year and to the date of signing of this report are as follows:

A A Whamond

J A Chapman (appointed 31 March 2023)

G E S Coltman

G Y Morris

S R Turner (resigned 8 August 2023)

C Vermaas

A D Watchman (appointed 1 January 2023)

Directors and their interests

The current Directors' interests in the share capital of the Company were as follows:

	31 December 2023			31 December 2022		
	No. of shares	%	Interest	No. of shares	%	Interest
G E S Coltman	246,100	8.66	See below	246,100	8.66	See below
A A Whamond	27,000	0.95	Indirect	27,000	0.95	Indirect
A D Watchman	2,000	0.07	Direct	2,000	0.07	Direct & Indirect
G Y Morris	1,000	0.04	Indirect	1,000	0.04	Indirect

G E S Coltman holds a beneficial interest in Carey Olsen Corporate Finance Limited which holds 246,100 Ordinary shares.

The current Directors' interests in options over Ordinary shares of the Company were as follows:

	31 December 2023	31 December 2022				
	No. of options	No. of options	Minimum exercise price	Grant date	First possible exercise date	Expiry date
C Vermaas	25,000	25,000	£10.00*	16/12/20	16/12/23	15/12/27
C Vermaas	100,000	100,000	£12.00*	16/12/20	16/12/25	15/12/27
C Vermaas	25,000	25,000	£14.00*	16/12/20	16/12/25	15/12/27
C Vermaas	38,000	-	£15.50	04/09/23	04/09/23	03/09/30
A D Watchman	18,500	-	£15.50	04/09/23	04/09/23	03/09/30

*The option exercise price stated is subject to adjustment upwards by reference to growth in the Group's net cash balance.

Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the consolidated financial statements for each financial period which give a true and fair view, in accordance with applicable Guernsey Law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", of the state of affairs of the Group, and of the profit or loss of the Group for that period.

In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the consolidated financial position and profit or loss of the Group and to ensure that the consolidated financial statements comply with the Companies (Guernsey) Law, 2008 (the Companies Law). They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, errors and non-compliance with laws and regulations.

The Directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

So far as the Directors are aware, there is no relevant audit information of which the Group's Auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 249 of the Companies Law.

The maintenance and integrity of the Group's website is the responsibility of the Directors; the work carried out by the Group's Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial statements and audit

The Company has prepared consolidated financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and in compliance with section 244 of the Companies Law. As a result, there is no requirement to prepare individual financial statements for the Company, on a stand-alone basis.

Independent auditor

The Auditor, PricewaterhouseCoopers CI LLP, has expressed their willingness to continue in office as auditor. A resolution to reappoint PricewaterhouseCoopers CI LLP as auditor to the Group will be proposed at the next Annual General Meeting.

Approved by the Board of Directors on 19 March 2024 and signed on its behalf by:

A Whamond
Director

C Vermaas
Director

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of The International Stock Exchange Group Limited (the "Company") and its subsidiary (together "the Group") as at 31 December 2023, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with United Kingdom Accounting Standards , comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a description of the significant accounting policies

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

Audit scope

- We performed an audit of the financial information of the entities within the Group.
- The components where we performed full scope audit procedures accounted for 100% of the Group net assets and profit for the financial year.
- We have audited the consolidated financial statements of the wholly owned subsidiary and the Company including the operations within Jersey, England, Ireland and the Isle of Man.

Key audit matters

- Risk of fraud and error in revenue recognition.

Materiality

- Overall Group materiality: GBP 247,940 (2022: GBP 212,268) based on 5% of consolidated profit before tax.
- Performance materiality: GBP 185,950 (2022: GBP 159,201).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter - Risk of fraud and error in revenue recognition

We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the Group's profitability, which has a consequent impact on the share price performance of the Company.

Certain Directors and senior management have material shareholdings in the Company and the Company also operates a share option scheme for employees of the Group where the attractiveness of this scheme will also be driven by the Company's share price performance. As in any organisation where the Directors and employees have shareholdings and there are incentives based on performance, there is an inherent risk of fraud in revenue recognition as there is an incentive to overstate revenue. Revenue may also be misstated due to errors in system calculations or manual processes.

Revenue is derived from multiple service offerings being annual membership fees, initial, annual and lifetime listing fees, other listing related fees and other income, including the TISE private market annual subscription fee, as disclosed in note 3(e) and note 4 to the consolidated financial statements.

The nature of these multiple service offerings can be complex due to the various fee arrangements and the high volume of transactions. The processes for recording revenue involve manual intervention with limited involvement of automation or IT systems. As a result, misstatement of revenue could arise from fraudulently manipulating manual calculations, unauthorised changes to approved fee schedules or errors in spreadsheets.

As part of our risk assessment we have considered each individual revenue stream in the Group. We have determined that a significant risk of both fraud and error exists within all material revenue streams, being annual membership fees, initial, annual and lifetime listing fees and other listing related fees.

How our audit addressed the Key audit matter

- We confirmed our understanding and evaluated the controls and processes over the recording of revenue, including the raising of invoices through to the collection of debtors. Revenue is recorded in both the general ledger and on separate revenue spreadsheets.
- We obtained the listing of revenue invoices issued during the year and analysed these using data extraction techniques to produce a population of revenue billed.
- We reconciled the revenue billed to the general ledger, and corroborated reconciling items to support provided by management on a sample basis.
- We obtained the Group's fee schedules which have been approved by the Board of Directors. We agreed that the correct listing and membership fees were used in the revenue billed by agreeing them to the Group's approved fee schedule using data matching techniques, and any material exceptions noted were resolved on a sample basis by corroborating to further supporting information.
- For the issuers and members from which initial, annual and lifetime listing fees were earned during the year, we agreed that all were registered as an issuer or member on the Group's website via a two-way check between the invoice listing and the Group's website. We also reviewed reconciling items on a sample basis for example those applications on hold or issuers that had delisted in the period.
- We evaluated historical average market listing terms and fees to assist with testing management estimates on lifetime fee accounting, both the initial recognition element and the deferral period.
- We recalculated the deferred income on a sample basis using billed revenue data and invoices raised and reconciled to the general ledger.

- In addition, for those revenue streams where a significant risk of fraud exists (all material revenue streams, being annual membership fees, initial, annual and lifetime listing fees and other listing related fees), we performed risk-based target testing of revenue journals posted into the general ledger. This included identification of those journals posted to revenue which did not follow the expected posting pattern.

Overall there were no material matters which required reporting to those charged with governance.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Company is based in Guernsey with operations in Jersey, England, Ireland, and the Isle of Man, and one underlying subsidiary located in Guernsey. The consolidated financial statements are a consolidation of the Company and the underlying subsidiary. Scoping was performed at the Group level, irrespective of whether the underlying transactions took place within the Company or within the subsidiary. The Group audit was led, directed and controlled by PricewaterhouseCoopers CI LLP and audit work for material items within the consolidated financial statements was performed in Guernsey by PricewaterhouseCoopers CI LLP. The subsidiary is also audited by PricewaterhouseCoopers CI LLP on a standalone basis.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated financial statements as a whole as follows:

Overall Group materiality	GBP 247,940 (GBP 212,268)
How we determined it	5% of the consolidated profit before tax
Rationale for the materiality benchmark	The Group is a profit-oriented operating group with the intention of either reinvesting or distributing profits to shareholders by way of dividends. The financial performance of the Group is assessed on profit levels and this can have an impact on the share price performance. Based on this understanding, we believe that consolidated profit before tax is the most appropriate measure for materiality due to this being a key metric for shareholders.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to GBP 185,950 (2022: GBP 159,201) for the Group financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above GBP 24,790 (2022: GBP 10,613), as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all the information included in the Annual Report & Consolidated Financial Statements (the "Annual Report") but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the consolidated financial statements and the audit

Responsibilities of the directors for the consolidated financial statements

As explained more fully in the Directors' Report, the directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with United Kingdom Accounting Standards , comprising FRS 102 , the requirements of Guernsey law and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the consolidated financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This independent auditor's report, including the opinions, has been prepared for and only for the members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

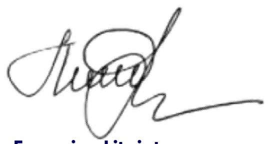
Report on other legal and regulatory requirements

Company Law exception reporting

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the consolidated financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



Evgeniya Litvintseva
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognised Auditor
Guernsey, Channel Islands,
19 March 2024

	Notes	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Turnover	4	10,830,103	9,977,258
Administrative expenses	5, 6	(6,305,626)	(5,821,673)
Operating profit		**4,524,477**	**4,155,585**
Interest receivable and similar income			
Interest income from financial assets measured at amortised cost	7	220,987	80,779
Income and net gains/(losses) from financial assets measured at fair value through profit or loss	7	213,382	24,874
Profit on ordinary activities before taxation		**4,958,846**	**4,261,238**
Taxation	8	(92,876)	(140,283)
Profit for the financial year		**4,865,970**	**4,120,955**
Other comprehensive income		-	-
Total comprehensive income for the financial year		**4,865,970**	**4,120,955**
Earnings per share			
Basic	9	171.3p	145.6p
Diluted	9	169.8p	143.5p

Profit for the financial year is wholly attributable to the owners of the Company, there being no non-controlling interests.

Profit for the financial year is wholly attributable to continuing operations.

The notes on pages 35 - 59 form an integral part of these consolidated financial statements.

32 | Consolidated Statement of Financial Position

	Notes	31 December 2023 £	31 December 2022 £
Fixed assets			
Intangible assets	10	92,858	111,429
Tangible fixed assets	11	101,375	134,916
		194,233	**246,345**
Current assets			
Debtors	12	1,721,742	1,484,288
Investments	13	10,201,809	6,405,864
Cash and cash equivalents	19(b)	2,655,390	3,853,364
		14,578,941	**11,743,516**
Current liabilities			
Creditors: Amounts falling due within one year	14	(4,699,121)	(4,247,162)
Net current assets		**9,879,820**	**7,496,354**
Total assets less current liabilities		**10,074,053**	**7,742,699**
Non-current liabilities			
Provisions for other liabilities	15	(26,512)	(13,695)
Net assets		**10,047,541**	**7,729,004**
Capital and reserves			
Share capital	17	1,511,581	1,511,581
Share-based payments reserve	20	149,074	139,607
Retained earnings		8,386,886	6,077,816
Shareholders' equity		**10,047,541**	**7,729,004**

The notes on pages 35 - 59 form an integral part of these consolidated financial statements.

The consolidated financial statements were approved and authorised for issue by the Board on 19 March 2024.

Signed on behalf of the Board of Directors:

A Whamond
Director

C Vermaas
Director

33 | Consolidated Statement of Changes in Equity

	Notes	Share capital £	Share-based payments reserve £	Retained earnings £	Shareholders' equity £
At 1 January 2022		**1,331,581**	**139,607**	**9,919,481**	**11,390,669**
Total comprehensive income for the year ended 31 December 2022		-	-	4,120,955	4,120,955
Exercise of options	20	180,000	-	-	180,000
Dividends declared and paid	16	-	-	(7,962,620)	(7,962,620)
At 31 December 2022		**1,511,581**	**139,607**	**6,077,816**	**7,729,004**
At 1 January 2023		**1,511,581**	**139,607**	**6,077,816**	**7,729,004**
Total comprehensive income for the year ended 31 December 2023		-	-	4,865,970	4,865,970
Equity settled share-based payments	20	-	9,467	-	9,467
Dividends declared and paid	16	-	-	(2,556,900)	(2,556,900)
At 31 December 2023		**1,511,581**	**149,074**	**8,386,886**	**10,047,541**

The notes on pages 35 - 59 form an integral part of these consolidated financial statements.

	Notes	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Net cash inflow from operating activities	19(a)	4,738,575	4,767,069
Taxation paid		(125,000)	(206,207)
Net cash from operating activities		**4,613,575**	**4,560,862**
Investing activities			
Payments to purchase tangible fixed assets	11	(52,713)	(84,754)
Placement of short term deposits/notice accounts		(6,017,168)	(3,969,997)
Proceeds from disposal of short term deposits/notice accounts		6,434,975	3,991,645
Purchases of liquidity funds		(4,145,769)	(1,775,000)
Proceeds from disposals of liquidity funds		-	4,897,100
Interest received		526,026	134,985
Net cash (outflow)/inflow from investing activities		**(3,254,649)**	**3,193,979**
Financing activities			
Issue of Ordinary shares		-	180,000
Dividends paid	16	(2,556,900)	(7,962,620)
Net cash outflow from financing activities		**(2,556,900)**	**(7,782,620)**
Decrease in cash and cash equivalents		**(1,197,974)**	**(27,779)**
Cash and cash equivalents at start of the financial year		3,853,364	3,881,143
Cash and cash equivalents at end of the financial year	**19(b)**	**2,655,390**	**3,853,364**

Cash and cash equivalents together with investments (notes 13 and 19b) totalled £12,857,199 as at 31 December 2023 (£10,259,228 as at 31 December 2022).

The notes on pages 35 - 59 form an integral part of these consolidated financial statements.

1. General information

The International Stock Exchange Group Limited (the Company or TISEG) is a company with limited liability incorporated in Guernsey. The registered address of the Company is Helvetia Court, Block B, 3rd Floor, Les Echelons, St Peter Port, Guernsey, GY1 1AR.

The Ordinary shares of the Company are listed on The International Stock Exchange (the Exchange), which is operated by the Company's wholly owned subsidiary, The International Stock Exchange Authority Limited (the Subsidiary or Authority).

2. Statement of compliance

The consolidated financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and with the Companies (Guernsey) Law, 2008 (the Companies Law).

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all accounting periods unless stated otherwise.

(a) Basis of preparation

The consolidated financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The amounts stated in these consolidated financial statements reflect conditions existing as at the balance sheet date.

(b) Going concern

Based on current trading and the present financial resources of the Group, the Directors believe the Group has the ability to continue as a going concern and have therefore prepared the consolidated financial statements on this basis.

(c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its sole subsidiary, drawn up to 31 December 2023. The results of the Subsidiary for the year, and for the prior year, have been consolidated. All intra-group transactions, balances, revenues and expenses are eliminated on consolidation. In preparing the consolidated financial statements the Company has elected to produce Group primary statements only, as permitted under section 244 of the Companies Law. The principal activity of the Subsidary is the operation of an investment exchange known as The International Stock Exchange.

(d) Judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The areas where assumptions and estimates are significant to the consolidated financial statements are outlined later in these notes.

In particular:

- the treatment of lifetime fees, as referenced in note 3(e), requires the use of estimation and judgement to split the fees, which are received upfront, into an initial fee element which is recognised immediately and a deferred annual fee element which is recognised over a four-year cycle based on a historic average life cycle of a listing; and

3. Summary of significant accounting policies (continued)

(d) Judgements and key sources of estimation uncertainty (continued)

- the judgement used in the immediate recognition of initial fees, as referenced in note 3(e). These fees are refundable until approval to list. Following a review of historic application conversion, it was established that 97% of all applications have resulted in a listing. On this basis, all initial fees from this date have been recognised immediately with a 3% provision applied against any initial fees outstanding at year-end.

(e) Revenue recognition

Listing application fees are recognised upon receipt of listing applications. Such fees are refundable until the point when an application is approved to list when they become non-refundable.

Annual listing fees are recognised on a straight-line basis over the period to which the fee relates.

Other listing fees include fees for listing additional securities of an existing class, fees for the partial redemption of securities of an existing class and fees for the early delisting of an existing class. Such fees are recognised upon receipt of the request for these transactions to be processed.

Annual membership fees are recognised on a straight-line basis over the period to which the fee relates. Annual listing fees and annual membership fees invoiced, but not yet recognised as income, are recorded as deferred income.

Lifetime fees are recognised in two portions. A proportion of lifetime fees are recognised immediately as initial fee income, with the remaining portion recognised as annual fee income and recorded as deferred income over a four-year cycle.

Final terms/drawdown document fees are deferred and recorded as deferred income over the expected life of the listing.

Other income includes other Exchange fees and delegate fees for Exchange organised workshops. Other Exchange fees and delegate fees are recognised on a receivables basis when the services have been provided.

TISE Private Markets annual subscription fees are recognised on a straight-line basis over the period to which the fee relates.

Interest receivable and similar income is recognised using the effective interest rate method.

Provisions are raised against fees invoiced where a reasonable level of doubt exists in relation to recovery. Trade debtors are subject to a quarterly impairment assessment. Any impairment loss recognised in respect of fees recognised in the current financial year offsets against revenue.

(f) Provisions for liabilities and contingencies

i. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

ii. Contingencies

Contingent liabilities are not recognised as a liability, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date; or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the consolidated financial statements unless the probability of an outflow of resources is remote.

(g) Employee benefits

Employee benefits, other than termination benefits, include all benefits to which employees become entitled as a result of services rendered to the Group during the reporting period. Employee benefits include salary, paid holiday arrangements, bonus payments, a defined contribution pension scheme. The cost of such benefits are recognised as an expense on an accruals basis.

Bonus payments are discretionary and are recognised in the profit and loss account only when the Group has a legal or constructive obligation to make payments. Employee termination benefits payable include benefits provided in exchange for the termination of an employee's employment. The cost of such benefits are recognised upon conclusion of any compromise agreement.

From 1 January 2022, the Company operates a defined contribution scheme for all its employees. A defined contribution scheme is a pension scheme under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown as accruals. The assets of the scheme are held separately from the Company in independently administered funds with BWCI Pension Trustees Limited.

The Group provides no post-employment benefits.

(h) Share-based payments

The Group provides share based payments to certain employees further to an equity settled share option scheme.

For share option awards that vest immediately, the fair value of the share options issued is assessed and expensed at date of grant. For share option awards that vest in the future, after a period of service from employees, the fair value of the share options is assessed at date of grant. The fair value of the options is then expensed on a straight-line basis over the vesting period, based on the Directors' estimate of the share options that will eventually vest. At each Balance Sheet date, the Directors' review their estimate of the number of share options that will vest. In the absence of observable market prices, the Directors estimate fair value with reference to the Black Scholes internationally recognised pricing model.

The Group has no cash-settled arrangements.

(i) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

3. Summary of significant accounting policies (continued)

(j) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Software: 7 years

Amortisation is included in administrative expenses in the profit and loss account.

The NOVA trading system has been recorded as an intangible asset of the Group (see note 10 for further detail) following the capitalisation of directly attributable costs required to bring the system to market.

(k) Tangible fixed assets and depreciation

Tangible fixed assets acquired upon acquisition of a business are stated at fair value less depreciation recognised since the business acquisition. Other tangible fixed assets acquired are stated at cost less depreciation recognised since acquisition.

- Office premises improvements are written off over the non-cancellable period of occupancy of office premises.
- Furniture, fixtures and fittings acquired in the normal course of business are written off over three years.
- Computer equipment and software acquired in the normal course of business is written off over three years.

(l) Investments

Investments include liquidity funds, notice accounts and fixed term deposits with maturity of more than three months at date of acquisition. Short-term investments include liquidity funds, notice accounts and fixed term deposits with maturity of less than 12 months at the balance sheet date.

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term investments (notice accounts and fixed term deposits) with maturity of three months or less at date of acquisition.

(n) Financial instruments

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

i. Financial assets

Basic financial assets including trade debtors and other debtors are initially recognised at transaction price and are subsequently measured at cost less impairment. Trade debtors and other debtors are classified as current assets as these fall due within one year. Trade debtors are subject to periodic impairment assessment. Any losses arising from impairment are recognised in the consolidated statement of comprehensive income.

3. Summary of significant accounting policies (continued)

(n) Financial instruments (continued)

Investments in short term deposits and notice accounts are initially recognised at transaction price and are subsequently measured at the undiscounted principal amount of cash expected to be received, with any interest due to be received from the investment at the end of the reporting period recognised separately as accrued income. Such assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled as a result of the maturity date being reached or through the sale of the asset.

Investments in liquidity funds are initially measured at fair value, being the transaction price for acquiring the assets. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

ii. Financial liabilities

Basic financial liabilities, including payments on account from issuers, trade creditors and other creditors, are initially recognised at transaction price, and subsequently measured at amortised cost.

Financial liabilities are derecognised when the contractual obligation in respect of the liability is discharged, cancelled or expires.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors and other creditors are classified as current liabilities if they are due within one year.

Payments on account from issuers are amounts received in advance of listing fees being invoiced and are also classified as current liabilities.

(o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new Ordinary shares are shown in equity as a deduction from the proceeds received. Distributions to shareholders paid out of capital are deducted from the carrying balance of share capital.

(p) Dividends

Provision is made for the amount of any dividend declared by the Board. Dividends paid are recognised in the statement of changes in equity.

(q) Taxation

The tax expense for the period comprises current tax. The income tax expense for the period is recognised in the consolidated statement of comprehensive income and is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction the Group operates and generates taxable income.

The Group does not recognise any deferred tax assets or liabilities on the basis that all fixed assets are held by the Company which is subject to taxation at the company standard rate of 0% and therefore no timing differences arise in respect of deferred tax.

4. Operating segment information

In accordance with FRS 102, it is necessary to assess the existence of operating segments and apply criteria to identify reportable segments. The business of the Group consists of a single reportable operating segment. The sole business of the Group is the operation of an investment exchange.

The business of the Group, namely the operation of an investment exchange, is carried on from Guernsey. Revenue from external customers is attributable to individual countries based on the domicile of Issuers in relation to fees raised against Issuers.

Entity wide disclosure		Year ended 31 December 2023		Year ended 31 December 2022
	£	£	£	£
Revenue from external customers				
Membership fees				
Annual fees	100,800		144,900	
		100,800		**144,900**
Listing fees				
Initial fees	2,672,491		2,903,759	
Annual fees	6,654,502		5,605,197	
		9,326,993		**8,508,956**
Other Listing related fees		1,374,825		1,297,537
Other income		27,485		25,865
		10,830,103		**9,977,258**

4. Operating segment information (continued)

Geographical analysis	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Membership Fees - Annual Revenue from Members by domicile		
Guernsey	50,400	81,900
Isle of Man	12,600	12,600
Jersey	37,800	50,400
	100,800	**144,900**

Geographical analysis	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Listing Fees - Initial and Annual Revenue from Issuers by domicile		
EU (ex Ireland)	1,623,438	1,392,639
Guernsey	363,450	284,469
Ireland	609,950	643,614
Isle of Man	125,100	124,311
Jersey	876,700	876,313
UK	5,571,212	5,026,162
Other	157,143	161,448
	9,326,993	**8,508,956**

4. Operating segment information (continued)

Geographical analysis	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Total Turnover		
EU (ex Ireland)	1,916,388	1,685,239
Guernsey	463,145	413,269
Ireland	677,250	704,364
Isle of Man	209,950	179,961
Jersey	1,035,500	1,063,964
UK	6,334,827	5,715,112
Other	193,043	215,349
	10,830,103	**9,977,258**

Geographical analysis	31 December 2023 £	31 December 2022 £
Non-Current Assets **Tangible Assets by location**		
Guernsey	101,375	134,916
	101,375	**134,916**

5. Staff costs

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Administrative expenses includes staff costs as follows:		
Salaries, including bonus payments	2,760,857	2,900,003
Social security costs	175,431	188,208
Payments to defined contribution pension scheme	192,336	189,133
Health insurance	91,236	71,504
Life insurance	5,679	5,889
Equity-settled share based payments	9,467	-
Other employee benefits	39,354	37,010
	3,274,360	**3,391,747**

6. Auditor's remuneration

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Fees payable to the Company's auditor for the audit of:		
The Group's consolidated financial statements	34,471	24,820
The Subsidiary's stand-alone financial statements	44,604	41,295
	79,075	**66,115**

7. Interest receivable and similar income

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Interest from financial assets measured at amortised cost:		
Cash and cash equivalents	1,361	83
Term deposits and notice accounts with term or notice of more than three months'	219,626	80,696
Total interest from financial assets measured at amortised cost	**220,987**	**80,779**
Income and net gains/(losses) from financial assets measured at fair value through profit or loss:		
Dividends from liquidity funds	145,400	24,874
Movement in unrealised gain/(loss) on liquidity funds	67,982	-
Total income and net gains/(losses) from financial assets measured at fair value through profit or loss	**213,382**	**24,874**
Total interest receivable and similar income	**434,369**	**105,653**

8. Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The Company and the Subsidiary are tax resident in Guernsey. Profits of the Subsidiary in respect of income from the regulated activity of operating an investment exchange under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 are taxable at the company intermediate rate of 10%. Other income is subject to taxation in Guernsey at the company standard rate of 0%.

The Jersey branch of the Company is subject to taxation in Jersey at the standard corporate rate of 0%.

The difference between the total tax charge for the year and the amount calculated by applying the standard rate to the profit before tax is as follows:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Profit on ordinary activities before taxation	4,958,846	4,261,238
Profit taxable at the standard rate of income tax of 0%	4,030,085	2,858,413
Profit taxable at the company intermediate rate of 10%	928,761	1,402,825
Profit on ordinary activities multiplied by the company standard rate of income tax in Guernsey of 0% (2022: 0%)	-	-
Effects of: Profits taxable at 10% in Guernsey	92,876	140,283
Total tax charge for the year	**92,876**	**140,283**

9. Earnings per share

Basic earnings per share is calculated by dividing profit for the financial year by the weighted average number of the Company's Ordinary shares outstanding during the year.

Diluted earnings per share makes allowance for dilutive share options in issue during part or for all of the year. In calculating diluted earnings per share, the exercise of dilutive options is assumed to take place at the beginning of the year, or the later date of issue, and the assumed proceeds from exercise are regarded as used to repurchase shares at the average market price during the year.

Share options are dilutive where the exercise price is less than the average market price during the year.

There were 150,000 dilutive share options in issue at the end of 2023 (2022: 205,000)

9. Earnings per share (continued)

Details of the earnings per share calculations are as follows:

	Year ended 31 December 2023	Year ended 31 December 2022
Basic		
Basic weighted average of shares outstanding	2,841,000	2,831,247
Net profit attributable to Ordinary shareholders	4,865,970	4,120,955
Basic earnings per share	**171.3p**	**145.6p**
Diluted		
Potential Ordinary shares outstanding during the year:		
Dilutive share options in issue at the start of the year	205,000	125,000
Non-dilutive share options in issue at the start of the year	25,000	125,000
Dilutive share options cancelled during the year	(80,000)	-
Non-dilutive share options granted during the year	142,000	-
Dilutive share options in issue at the end of the year	150,000	205,000
Non-dilutive share options in issue at the end of the year	142,000	25,000
Potential proceeds from dilutive share options	1,800,000	2,176,250
Average market share price for the year	1432p	1343p
Shares deemed repurchased	125,673	162,087
Weighted number of shares deemed issued for no consideration	24,327	42,913
Diluted weighted average shares outstanding	2,865,327	2,873,215
Net profit attributable to Ordinary shareholders	4,865,970	4,120,955
Diluted earnings per share	**169.8p**	**143.5p**

The outstanding non-dilutive share options have an exercise price of £15.50 per share.

10. Intangible fixed assets

	Intangible Assets £
Cost:	
At 1 January 2022	130,000
Additions	-
At 31 December 2022	**130,000**
Additions	-
At 31 December 2023	**130,000**
Amortisation:	
At 1 January 2022	-
Charge for the year ended	18,571
At 31 December 2022	**18,571**
Charge for the year ended 31 December 2023	18,571
At 31 December 2023	**37,142**
Carrying amount:	
At 31 December 2022	111,429
At 31 December 2023	**92,858**

On 13th May 2021 the Company entered into an agreement with Avenir Technology Limited to supply a trading system for commercial use by the Group. The NOVA trading system went live in February 2022 and the cost is being amortised for 7 years from the date in use.

11. Tangible fixed assets

	Office premises improvements £	Furniture, fixtures and fittings £	Computer equipment and software £	Total £
Cost:				
At 1 January 2022	49,265	78,232	120,280	247,777
Additions	13,432	2,065	69,257	84,754
Written down	-	(1,650)	(37,027)	(38,677)
At 31 December 2022	**62,697**	**78,647**	**152,510**	**293,854**
Additions	-	-	52,713	52,713
Written down	-	(18,589)	(37,920)	(56,509)
At 31 December 2023	**62,697**	**60,058**	**167,303**	**290,058**
Depreciation:				
At 1 January 2022	396	33,393	76,968	110,757
Charge for the year ended 31 December 2022	9,636	26,215	51,007	86,858
Written down	-	(1,650)	(37,027)	(38,677)
At 31 December 2022	**10,032**	**57,958**	**90,948**	**158,938**
Charge for the year ended 31 December 2023	9,636	20,019	55,979	85,634
Written down	-	(18,589)	(37,300)	(55,889)
At 31 December 2023	**19,668**	**59,388**	**109,627**	**188,683**
Carrying amount:				
At 31 December 2022	52,665	20,689	61,562	134,916
At 31 December 2023	**43,029**	**670**	**57,676**	**101,375**

12. Debtors

	31 December 2023 £	31 December 2022 £
Trade debtors	1,258,667	1,176,746
Corporate taxation	70,943	38,820
Other debtors	11,908	3,633
Prepayments	256,153	232,055
Accrued income	124,071	33,034
	1,721,742	**1,484,288**

Trade debtors include no amounts falling due after more than one year. Trade debtors as at 31 December 2023 of £1,258,667 is after impairment provision of £127,811. Trade debtors as at 31 December 2022 of £1,176,746 is after impairment provision of £90,907. In line with UK GAAP the impairment provision is arrived at allowing for the ageing of outstanding invoices.

13. Investments

	31 December 2023 £	31 December 2022 £
Investments at fair value through profit or loss:		
Liquidity funds	6,666,043	2,452,292
Investments at amortised cost:		
Short-term deposits/notice accounts with maturity at date of acquisition of over 90 days and no more than 365 days	3,535,766	3,953,572
	10,201,809	**6,405,864**

14. Creditors: Amounts falling due within one year

	31 December 2023 £	31 December 2022 £
Deferred income	4,245,589	3,793,643
Payments on account from issuers	188,434	112,513
Trade creditors and accruals	236,750	284,882
Other creditors	28,348	56,124
	4,699,121	**4,247,162**

15. Provisions for other liabilities

Dilapidations provision	£
At 1 January 2022	**672**
Addition to provision	13,023
At 31 December 2022	**13,695**
Addition to provision	12,817
At 31 December 2022	**26,512**

On 8 June 2015, the Company entered into a 15 year lease in respect of office premises at Helvetia Court, South Esplanade, St Peter Port, Guernsey. The lease allows for early termination after 13 years.

The dilapidations provision relates to the obligation to make good at the end of the lease the fitting out of the leased offices at Helvetia Court, South Esplanade, St Peter Port, Guernsey. Subsequent to the fitting out in 2021, the Company reassessed provision required come the end of the full term lease as being £83,400. The provision as at 31 December 2023 is £26,512 (2022: £13,695).

16. Dividends paid

	31 December 2023 £	31 December 2022 £
Dividends paid	2,556,900	7,962,620

Dividends declared by the Board are recognised upon payment.

On 24 March 2022 the Board declared a dividend of 45.0p per £1 Ordinary share (£1,269,450) paid on 25 April 2022.
On 24 March 2022 the Board declared a dividend of 200.0p per £1 Ordinary share (£5,642,000) paid on 27 June 2022.
On 5 September 2022 the Board declared a dividend of 37.0p per £1 Ordinary share (£1,051,170) paid on 10 October 2022.
On 29 March 2023 the Board declared a dividend of 43.0p per £1 Ordinary share (£1,221,630) paid on 24 April 2023.
On 4 September 2023 the Board declared a dividend of 47.0p per £1 Ordinary share (£1,335,270) paid on 9 October 2023.

17. Share capital

	Non-Participating Share		Ordinary Shares	
	£	Number	£	Number
Authorised				
As at 1 January 2022	1	1	5,000,000	5,000,000
As at 31 December 2022	1	1	5,000,000	5,000,000
As at 31 December 2023	1	1	5,000,000	5,000,000
Allotted, called up and fully paid				
As at 1 January 2022	1	1	1,331,580	2,821,000
Exercise of options	1	1	180,000	20,000
As at 31 December 2022	-	-	1,511,580	2,841,000
As at 31 December 2023	1	1	1,511,580	2,841,000

The Non-Participating share of par value £1 has been issued to the States of Guernsey. The Articles of Incorporation stipulate that the Non-Participating share only carries voting rights where specifically provided for in the Companies Law and carries no right to receive any dividend and, on winding up, only the par value shall be payable.

The Ordinary shares have a par value of £1 per share.

18. Financial instruments

	Notes	31 December 2023 £	31 December 2022 £
Financial assets at fair value through profit or loss:			
Liquidity funds	13	6,666,043	2,452,292
Financial assets measured at amortised cost:			
Trade debtors	12	1,258,667	1,176,746
Other debtors	12	11,908	3,633
Term deposits and notice accounts with term or notice of more than three months	13	3,535,766	3,953,572
Term deposits and notice accounts with term or notice of three months or less	19(b)	68,033	2,514,150
		4,874,374	7,648,101
Financial liabilities measured at amortised cost:			
Deferred income	14	4,245,589	3,793,643
Payments on account from issuers	14	188,434	112,513
Trade creditors and accruals	14	236,750	284,882
Other creditors	14	28,348	56,124
Provisions for other liabilities	15	26,512	13,695
		4,725,633	4,260,857

Financial assets held at fair value through profit or loss are valued based on quoted market prices in an active market. The liquidity funds and underlying short duration financial instruments represent an asset class that does not ordinarily experience extreme price variation.

Credit risk

Credit risk for liquidity funds and underlying short duration financial instruments is limited with exposure spread across a number of funds and counterparties. A Group approved list of counterparties is maintained and individual counterparty limits set by the Board. The credit rating of each fund is investment grade and the portfolio is subject to oversight by the appointed investment manager.

Capital risk

The Group's subsidiary is regulated by the GFSC under The Protection of Investors (Bailiwick of Guernsey) Law, 2020. The Subsidiary is therefore required to meet certain minimum capital requirements. Notwithstanding this the Directors maintain levels of equity, reserves and professional indemnity insurance cover that they consider sufficient to meet the commitments and withstand the risks to which each are subject. The Subsidiary have complied with these requirements during the period under review.

18. Financial instruments (continued)

Liquidity risk

The Group is exposed to liquidity risk, namely the risk that it may be unable to meet its payment obligations as they fall due. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Given the nature of the Group's business, the Group does not run any significant liquidity mismatches; financial liabilities are on the whole short term and the Group has sufficient cash retained to cover all its liabilities.

Liquidity profile of Assets and Liabilities as at 31 December 2023	<1 month £	1-12 months £	1-5 years £	5+ years £	Total £
Assets					
Liquidity Funds	6,666,043	-	-	-	6,666,043
Term deposits and notice accounts	1,028,439	2,507,327	-	-	3,535,766
Cash & cash equivalents	2,655,390	-	-	-	2,655,390
Trade debtors	1,258,667	-	-	-	1,258,667
Other debtors	-	11,908	-	-	11,908
Total	11,608,539	2,519,235	-	-	14,127,774
Liabilities					
Payments on account from issuers	188,434	-	-	-	188,434
Trade creditors & accruals	236,750	-	-	-	236,750
Other creditors	28,348	-	-	-	28,348
Provisions for other liabilities	-	-	-	26,512	26,512
Total	453,532	-	-	26,512	480,044
Liquidity gap analysis	11,155,007	2,519,235	-	(26,512)	13,647,730

18. Financial instruments (continued)

Liquidity profile of Assets and Liabilities as at 31 December 2022	<1 month £	1-12 months £	1-5 years £	5+ years £	Total £
Assets					
Liquidity Funds	2,452,292	-	-	-	2,452,292
Term deposits and notice accounts	976,649	2,976,923	-	-	3,953,572
Cash & cash equivalents	2,343,549	1,509,815	-	-	3,853,364
Trade debtors	1,176,746	-	-	-	1,176,746
Other debtors	-	3,633	-	-	3,633
Total	**6,949,236**	**4,490,371**	**-**	**-**	**11,439,607**
Liabilities					
Payments on account from issuers	112,513	-	-	-	112,513
Trade creditors & accruals	284,882	-	-	-	284,882
Other creditors	56,124	-	-	-	56,124
Provisions for other liabilities	-	-	-	13,695	13,695
Total	**453,519**	**-**	**-**	**13,695**	**467,214**
Liquidity gap analysis	**6,495,717**	**4,490,371**	**-**	**(13,695)**	**10,972,393**

Market risk

The Group does not have any material exposure to transactional foreign currency risk or interest rate risk and therefore no analysis of foreign exchange risk or interest rate risk is provided.

19. Notes to the Statement of Cash Flows

(a) Reconciliation of profit to net cash inflow/(outflow) from operating activities

	Notes	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Profit on ordinary activities before taxation		4,958,846	4,261,238
Adjustments to reconcile profit for the period to net cash flow from operating activities:			
Equity settled share based payments	20	9,467	-
Amortisation of intangible assets		18,571	18,571
Depreciation of tangible assets	11	85,634	86,858
Provision for other liabilities	15	12,817	13,023
Interest received		(593,388)	(134,985)
Working capital movements:			
Increase in debtors		(205,331)	(62,146)
Increase in creditors		451,959	584,510
Net cash inflow from operating activities		**4,738,575**	**4,767,069**

(b) Cash and cash equivalents

	31 December 2023 £	31 December 2022 £
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	2,587,357	1,339,214
Short-term deposits/notice accounts with maturity at date of acquisition of 90 days or less	68,033	2,514,150
	2,655,390	**3,853,364**

20. Share based payments

Equity-settled share option scheme

The Group operated an Employee Share Option Scheme (ESOS) as approved by the shareholders of the Company by way of written resolution on 9 December 2015 and as amended by way of a resolution dated 16 December 2020. In accordance with the rules of the ESOS, the Directors determine which employees of the Group are eligible to participate in the ESOS and no employee is, by right, eligible to participate. In accordance with the rules of the ESOS, the lesser of 1 million shares or 25% (amended from 20% on 16 December 2020) of the issued share capital of the Company may be issued on the exercise of options over a 7 year period.

The Directors may apply exercise conditions to the issue of any options. Any options may be exercised once vested any time up to 7 years after date of grant. The option exercise price is set by the Directors and must not be less than the market value of the Company's shares at the date of grant. An option holder may not sell or otherwise transfer options granted and the options either lapse within 1 month of cessation of employment or are automatically cancelled.

In line with the rules of the ESOS and without prejudice to the accrued rights in existence at the date of termination, the scheme terminated effective 9 December 2022 being the seventh anniversary of its adoption. No further options may be granted under the scheme.

On 8 August 2023, the shareholders of the Company approved, by ordinary resolution, the Employee Share Option Scheme 2023 Rules (the 2023 ESOS). In accordance with the rules of the 2023 ESOS, the Directors determine which Group employees are eligible to participate in either scheme, and no employee is, by right, eligible to participate.

Number of options

Exercise price	£9	£9.125	£10	£12	£14	£15.50	Total
Outstanding as at 1 January 2022	50,000	50,000	25,000	100,000	25,000	-	**250,000**
Exercised during the year ended 31 December 2022	(20,000)	-	-	-	-	-	**(20,000)**
Outstanding as at 31 December 2022	30,000	50,000	25,000	100,000	25,000	-	**230,000**
Lapsed during the year ended 31 December 2023	**(30,000)**	**(50,000)**	**-**	**-**	**-**		**(80,000)**
Granted during the year ended 31 December 2023	-	-	-	-	-	142,000	**142,000**
Outstanding as at 31 December 2023	**-**	**-**	**25,000**	**100,000**	**25,000**	**142,000**	**292,000**

On 13 December 2018 50,000 share options were granted at an exercise price of £9.125 per share, vested on the date of grant and were subject to no exercise conditions.

On 16 December 2020 25,000 share options were granted at a minimum exercise price of £10 per share. The share options vest after 3 years (subject to the rules of the ESOS) and are subject to no exercise conditions. On 16 December 2020 a further 100,000 share options were granted at a minimum exercise price of £12 per share. The share options vest after 5 years (subject to the rules of the ESOS) and are subject to no exercise conditions. On 16 December 2020 a further 25,000 share options were granted at a minimum exercise price of £14 per share. The share options vest after 5 years (subject to the rules of the ESOS) and are subject to no exercise conditions. The exercise price of the share options granted on 16 December 2020 is subject to adjustment upwards by reference to growth in the Group's total holdings of investments together with cash and cash equivalents.

On 26 March 2021 a further 50,000 share options were granted at an exercise price of £9 per share, vested on the date of grant and were subject to no exercise conditions.

20. Share based payments (continued)

The Directors arrived at the value for the share options granted with reference to the internationally recognised Black Scholes option pricing model. On 4 September 2023, 142,000 share options were granted under the rules of the 2023 ESOS at an exercise price of £15.50 per share, vested on the date of grant and were subject to no exercise conditions (2022: none). The Group has recognised a charge for the year in the Consolidated Statement of Comprehensive Income, with a corresponding increase to the share-based payments reserve, of £9,467 (2022: £Nil).

During the year ended 31 December 2023, no options were exercised (2022: options over 20,000 Ordinary shares were exercised for a consideration of £180,000). The total number of Ordinary shares in issue at 31 December 2023 is 2,841,000 (31 December 2022: 2,841,000).

On 2 January 2023, share options over 30,000 Ordinary shares in the Company (with an exercise price of £9.00 per share) and share options over 50,000 Ordinary shares in the Company (with an exercise price of £9.125 per share), which were awarded to a former Director of the Subsidiary, lapsed in accordance with the rules of the ESOS and have ceased to be capable of exercise.

21. Related parties

During the year and the prior year the Group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and all trading balances outstanding at 31 December 2023 and at 31 December 2022, were as follows:

i. Entities with significant influence over the Group

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Dividend payments	221,490	694,002

Listing member, Carey Olsen Corporate Finance Limited (COCFL), holds 8.66% (2022: 8.66%) of the issued share capital of the Company.

COCFL was not eligible to pay an annual membership fee in 2023 (2022: £Nil)

Director G E S Coltman is a corporate partner of Carey Olsen's Jersey practice and received total remuneration of £40,000 (2022: £40,000) for the year.

(a) Terms and conditions of transactions with related parties

Income and expense transactions between related parties are made at arms length. Outstanding balances are unsecured, interest free and cash settlement is expected in line with set terms. Membership fees are due within 30 days of invoice. The Group has not made any provision for doubtful debts relating to any amounts owned by related parties.

21. Related parties (continued)

(b) Key management personnel

All Directors of the Company, as well as all the Directors of the Subsidiary, are considered to be key management personnel during their term of appointment. The compensation recognised for the year in respect of key management totalled £947,733 (2022: £1,085,141)

At 31 December 2023, Directors of the Subidiary held 12,000 share options in the Company (2022: 80,000 share options). The interests of the Directors of the Company in the share capital of the Company is disclosed in the Directors' Report on page 24.

In addition to the dividends received by entities controlled by key management reported above, key management received dividends, during the year, totalling £27,000 in 2023 (2022: £74,570).

On 22 August 2022, the Company entered into an agreement with Avenir Technology Limited (ATL) to provide the technology solution for the Group's Private Market offering. This is in addition to the agreement with ATL for the provision of NOVA. On 12 August 2023, the Company entered into an agreement with ATL to supply technology to the Group to service its new TISE Private Markets offering. Stuart Turner, was Director of the Company during the year ended 31 December 2023, is also a Director of ATL and holds a non-controlling interest in that company. During the year the Company paid to ATL a total of £284,627 (2022: £110,993). This comprised £262,260 for TISE Private Markets (2022: £90,000) and £22,367 for NOVA (2022: £20,993).

During the reporting period, the Company paid £2,125 (2022: £Nil) to Witherns Consulting Ltd, a company wholly owned by N J W Bayley, a director of the Subsidiary.

(c) Changes in Directors' interests in the Company

During 2023 there were the following changes to Directors' interests:

On 1 January 2023, Andrew Watchman was appointed as a Director of the Company.

On 31 March 2023, Julia Chapman was appointed as a Non-Executive Director of the Company.

On 8 August 2023, Stuart Turner resigned as a Non-Executive Director of the Company.

22. Controlling party

The Directors are of the opinion that there is no immediate or ultimate controlling party of the Company.

23. Operating leases

On 8 June 2015, the Company entered into a 15 year lease in respect of office premises at Helvetia Court, South Esplanade, St Peter Port, Guernsey. The lease allows for early termination after 13 years.

On 11 May 2022, the Company terminated the Registered Branch Office Agreement in relation to an office space at 2nd Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man, IM1 1EU.

On 2 August 2022, the Company entered into a settlement agreement with the landlord of the office premises at Helvetia Court, South Esplanade, St Peter Port, Guernsey. In accordance with the terms of the agreement, the landlord has returned to the Company excess rent paid in the sum of £86,832.

On 3 August 2023, the Company renewed its serviced offices licence in relation to an office at Forum 3, Grenville Street, St Helier, Jersey for a 12 month period. The notice period under the terms of the lease is 3 months.

The Group had the following future minimum lease payments under non-cancellable operating leases:

Payments due	31 December 2023 £	31 December 2022 £
Not later than 1 year	204,552	204,272
Later than 1 year and not later than 5 years	762,576	762,576
Later than 5 years	-	83,332
	967,128	**1,050,180**

The Group recognised operating lease charges totalling £226,961 for the year (2022: £110,304 net of rent rebate of £86,832)

24. Events after the reporting period

On 19 March 2024, the Board declared a special dividend of £2.00 per share, to be paid on 29 April 2024.

There were no other events after the reporting date that require adjustment or disclosure in the consolidated financial statements.

Corporate Information

Directors:

A A Whamond	(Chair)
J A Chapman	(appointed 31 March 2023)
G E S Coltman	
G Y Morris	
S R Turner	(resigned 8 August 2023)
C Vermaas	(Chief Executive Officer)
A D Watchman	(appointed 1 January 2023)

Secretary:

E A C Humphry

Registered office:

Helvetia Court
Block B, Third Floor
Les Echelons
St Peter Port
Guernsey
GY1 1AR

Registered number:

57524

Independent auditor:

PricewaterhouseCoopers CI LLP
Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey
GY1 4ND

Financial adviser:

Investec Bank plc
30 Gresham Street
London
EC2V 7QP

Listing sponsor:

Bedell Channel Islands Ltd
26 New Street
St Helier
Jersey
JE2 3RA

Registrar:

JTC Registrars Ltd
Ground Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey
GY1 2HT

Summary Financial Information

Consolidated Statement of Comprehensive Income (Unaudited)

	Year ended 31 December 2023 £ '000	Year ended 31 December 2022 £ '000	Year ended 31 December 2021 £ '000
Turnover	10,830	9,977	9,954
Administrative expenses	(6,305)	(5,822)	(5,051)
Operating profit	**4,525**	**4,155**	**4,903**
Interest receivable/payable	434	106	13
Profit on ordinary activities before taxation	**4,959**	**4,261**	**4,916**
Taxation	(93)	(140)	(166)
Profit for the financial year	**4,866**	**4,121**	**4,750**
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	**4,866**	**4,121**	**4,750**

Consolidated Statement of Financial Position (Unaudited)

	31 December 2023 £ '000	31 December 2022 £ '000	31 December 2021 £ '000
Intangible assets	**93**	**111**	**130**
Fixed assets	**101**	**135**	**137**
Current assets	**14,579**	**11,744**	**14,815**
Current liabilities	**(4,699)**	**(4,247)**	**(3,690)**
Net current assets	**9,880**	**7,497**	**11,125**
Total assets less current liabilities	**10,074**	**7,743**	**11,392**
Provisions for other liabilities	**(27)**	**(14)**	**(1)**
Net assets	**10,047**	**7,729**	**11,391**
Shareholders' equity	**10,047**	**7,729**	**11,391**

TISE
The International Stock Exchange

Annual Report & Consolidated Financial Statements

For the year ended 31 December 2023

Dublin. Guernsey. Isle of Man. Jersey. London.
T: +44 (0) 1481 753000 - E: info@tisegroup.com - W: tisegroup.com
PO Box 623, Helvetia Court, Block B, 3rd Floor, Les Echelons, St Peter Port, Guernsey, GY1 1AR