

**7 March 2024**

**Hansard Global plc**  
**Results for the six months ended 31 December 2023**

Hansard Global plc ("Hansard" or "the Group"), the specialist long-term savings provider, issues its results for the six months ended 31 December 2023. All figures refer to the six months ended 31 December 2023 ("H1 2024"), except where indicated.

**Financial highlights**

- IFRS profit before tax was £4.1m for H1 2024, up 32% from £3.1m in H1 2023.
- The current year result has improved as a result of increases in fee income and continuation of a higher interest rate environment, partially offset by increased investment in strategic initiatives to improve future performance.
- Fees and commissions earned totalled £23.9m for H1 2024, up 4% compared to £22.9m for H1 2023 driven by higher fee income in Hansard International.
- Investment and other income increased by £0.7m to £3.1m for H1 2024, up 29% from £2.4m in H1 2023 as improved returns on surplus cash were offset by lower foreign exchange gains.
- Administrative and other expenses were £14.7m for H1 2024 compared to £14.1m in H1 2023 as a result of increased investment in strategic initiatives.
- New business for the Group for H1 2024 was £36.2m in PVNBP ("Present Value of New Business Premiums") terms (H1 2023: £43.4m). This reflects ongoing uncertainties in global economic conditions and a general hesitancy by clients to commit to long-term savings products.
- Assets under administration were £1.11 billion as at 31 December 2023, largely unchanged from £1.10 billion as at 30 June 2023.
- Value of in-force business as at 31 December 2023 was £120.1m (30 June 2023: £124.4m).
- The Board has declared an interim dividend of 1.8p per share (H1 2023: 1.8p).

**Strategic and operational highlights**

- Hansard International has made significant progress developing a distribution opportunity for its Japan proposition.
- In early March 2024, the Hansard OnLine platform migrated to a new system environment, the culmination of a major strategic initiative that delivers numerous benefits and improvements to advisors, their clients and the Group. Implementation of the new system enables Hansard to deliver new products to market more quickly.

	H1 2024	H1 2023
IFRS profit before tax	<b>£4.1m</b>	£3.1m
IFRS fees and commissions	<b>£23.9m</b>	£22.9m
IFRS administrative and other expenses	<b>£14.7m</b>	£14.1m
IFRS basic earnings per share	<b>2.9p</b>	2.2p
Interim dividend - <i>to be paid on 27 April 2023</i>	<b>1.8p</b>	1.8p

As at	31 December	30 June
	2023	2023
Assets under Administration	<b>£1.11b</b>	£1.10b
Value of In-Force (regulatory basis)	<b>£120.1m</b>	£124.9m

## NEW BUSINESS FLOWS

New business flows for the half-year are summarised as follows:

Basis	H1 2024 £m	H1 2023 £m	% change
Present Value of New Business Premiums	<b>36.2</b>	43.4	(16.6%)
Annualised Premium Equivalent	<b>5.5</b>	6.4	(14.1%)

## Present Value of New Business Premiums ("PVNBP")

New business flows on the basis of PVNBP are broken down as follows:

PVNBP by product type	H1 2024 £m	H1 2023 £m	% change
Regular premium	<b>21.9</b>	30.8	(28.9%)
Single premium	<b>14.3</b>	12.6	13.5%
Total	<b>36.2</b>	43.4	(16.6%)

PVNBP by geographical area	H1 2024 £m	H1 2023 £m	% Change
Middle East & Africa	<b>16.2</b>	19.5	(16.9%)
Latin America	<b>10.6</b>	13.7	(22.6%)
Rest of World	<b>6.5</b>	7.4	(12.2%)
Far East	<b>2.9</b>	2.8	3.6%
Total	<b>36.2</b>	43.4	(16.6%)

## ASSETS UNDER ADMINISTRATION ("AUA")

The composition and value of AuA is based upon the assets selected by or on behalf of contract holders to meet their savings and investment needs. Reflecting the wide geographical spread of the Group's customer base, the majority of premium

contributions and of AuA are designated in currencies other than sterling. Over 60% of Group AuA are denominated in US dollars.

The total of such assets is affected by the level of new premium contributions received from new and existing policy contracts, the amount of assets withdrawn by contract holders, charges and the effect of investment market and currency movements. These factors ultimately affect the level of fund-based income earned by the Group. Net withdrawals are typically experienced in Hansard Europe dac ("Hansard Europe") as it closed to new business in 2013.

The following analysis shows the components of the movement in AuA:

	<b>H1 2024</b>	<b>H1 2023</b>
	<b>£m</b>	<b>£m</b>
Deposits to investment contracts - regular premiums	<b>38.8</b>	44.2
Deposits to investment contracts - single premiums	<b>13.8</b>	12.7
Withdrawals from contracts and charges	<b>(87.6)</b>	(73.2)
Effect of market and currency movements	<b>39.5</b>	23.0
Increase in period	<b>4.5</b>	6.7
Opening balance as at 1 July	<b>1,101.5</b>	1,092.3
<b>Assets under Administration at 31 December</b>	<b>1,106.0</b>	1,099.0

AuA is split as follows between Hansard International (incorporating business reinsured from Hansard Worldwide) and Hansard Europe:

	<b>H1 2024</b>	<b>H1 2023</b>
	<b>£m</b>	<b>£m</b>
Hansard International	<b>1,044.5</b>	1,032.7
Hansard Europe	<b>61.5</b>	66.3
<b>Assets under Administration at 31 December</b>	<b>1,106.0</b>	1,099.0

## OUTLOOK

Looking forward we are confident that our new product pipeline will lead to increased sales and long-term growth in the business. We expect interest rates will fall slightly from current levels, reducing returns on cash reserves and product margins.

## NOTICE OF TRADING UPDATE

A trading update in respect of our financial year ending 30 June 2024 is expected to be published on 26 September 2024.

### **Graham Sheward, Group Chief Executive Officer, commented:**

"Although the environment for investment and long-term savings plans remains challenging, we have delivered an improved profit result to the prior year comparative period.

We have successfully migrated to our new policy administration platform and continue to make good progress with our strategic initiatives, allowing us to target future new business growth and cost efficiencies."

**For further information:**

**Hansard Global plc**

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- Hansard Global plc is the holding company of the Hansard Group of companies. The Company was listed on the London Stock Exchange in December 2006. The Group is a specialist long-term savings provider, based in the Isle of Man.
- The Group offers a range of flexible and tax-efficient investment products within a life assurance policy wrapper, designed to appeal to affluent, international investors.
- The Group utilises a controlled cost distribution model via a network of independent financial advisors and the retail operations of certain financial institutions who provide access to their clients in more than 170 countries. The Group's distribution model is supported by Hansard OnLine, a multi-language internet platform, and is scalable.
- The principal geographic markets in which the Group currently services contract holders and financial advisors are the Middle East & Africa, the Far East and Latin America. These markets are served by Hansard International Limited and Hansard Worldwide Limited.
- Hansard Europe dac previously operated in Western Europe but closed to new business with effect from 30 June 2013.
- The Group's objective is to grow by attracting new business and positioning itself to adapt rapidly to market trends and conditions. The scalability and flexibility of the Group's operations allow it to enter or develop new geographic markets and exploit growth opportunities within existing markets without the need for significant further investment.

**Forward-looking statements:**

This announcement may contain certain forward-looking statements with respect to certain of Hansard Global plc's plans and its current goals and expectations relating to future financial condition, performance and results. By their nature forward-looking statements involve risk and uncertainties because they relate to future events and circumstances which are beyond Hansard Global plc's control. As a result, Hansard Global plc's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in Hansard Global plc's forward-looking statements. Hansard Global plc does not undertake to update forward-looking statements contained in this announcement or any other forward-looking statement it may make. No statement in this announcement is intended to be a profit forecast or be relied upon as a guide for future performance.

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regime.

## **CHAIRMAN'S STATEMENT**

I am pleased to present to you Hansard Global plc's ("Hansard" or "Group") financial results for the first six months of our 2024 financial year ("H1 2024").

We have continued to invest and position our business for the long-term future in the face of a challenging external environment for new business, and we remain on track to deliver on important initiatives in the next six months which will see key new products come to market via our new policy administration system and on-line portals.

Hansard International has also made significant progress developing a distribution opportunity for its Japan proposition.

A new portfolio bond was launched through Hansard Worldwide Limited in January 2024, with customer policies administered on our new policy administration system. Furthermore, our existing policy book was migrated over to the new system in early March 2024, the culmination of a major strategic initiative that we expect to benefit our policyholders, distribution partners and Group performance through enhanced operational efficiency, increased scalability, and cost savings.

Our profits, shareholder funds and regulatory capital have remained robust, and we continue to benefit from the higher interest rate environment with improved returns on our cash reserves and product margins.

### **New business**

Reflecting continuing uncertainties in global economic conditions and a general hesitancy by clients to commit to long-term savings products, new business for H1 2024 was £36.2m on a Present Value of New Business Premiums ("PVNBP") basis, compared to £43.4m in H1 2023. However, we expect our new portfolio bond and Japan proposition to yield new opportunities for growth going forward.

### **Financial performance**

The Group's profit before tax under International Financial Reporting Standards ("IFRS") of £4.1m for the period was £1.0m higher than the comparative period profit of £3.1m. Consolidated fees and commissions were £23.9m (H1 2023: £22.9m), driven by higher fee income in Hansard International. Administration and other expenses of £14.7m are up by £0.6m on the prior year.

### **Capitalisation and solvency**

The Group continues to be well capitalised to meet the requirements of regulators, contract holders, intermediaries and other stakeholders. Free assets in excess of the Solvency Capital Requirements of the Group were £39.6m, a coverage of 150% (30 June 2023: £44.6m and 156%). We continue to take a prudent approach with our investment policy for shareholder assets and have maintained a resilient solvency position over recent years.

### **Dividends**

Taking into account the current financial position and future outlook, the Board has resolved to maintain its interim dividend at 1.8p per share (H1 2023: 1.8p per share). This will be paid on 25 April 2024 with an ex-

dividend date of 14 March 2024.

## Board

Christine Theodorovics, Independent Non-executive Director has stepped down from the Board with effect from 29 February 2024, following her appointment as Chief Executive Officer of Baloise Luxembourg. On behalf of the Board, I would like to thank Christine for her contribution as Independent Non-executive Director and a member of all our Board Committees. We have appreciated Christine's candour and advice during her tenure. The Board's search for a new Independent Non-executive Director has commenced.

**Philip Kay**

**Chair**

**6 March 2024**

## INTERIM MANAGEMENT REPORT

### REPORT OF THE GROUP CHIEF EXECUTIVE OFFICER GRAHAM SHEWARD

#### Strategy implementation and new business distribution

The Group provides regular and single premium savings products to expatriate and local clients around the world seeking access to a range of international investments from a safe-haven jurisdiction.

We continue to pursue our strategy of growing our business organically through Independent Financial Advisor ("IFA") client relationships and the pursuit of targeted opportunities to improve our scale.

Our strategic focus for the second half of this financial year remains the delivery of two significant projects:

- Launching a new locally licenced investment product in Japan; and
- Ensuring our new policy administration systems support our next generation of products whilst realising associated cost and efficiency gains.

#### Results for the period

IFRS profit for the period was £4.1m before tax (H1 2023: £3.1m). The increase in profit was driven by increased fee income and improved returns on Group investments, offset by increased investment in strategic initiatives.

Underlying operational expenses continue to be closely scrutinised and managed in the face of persistent high inflation. Administrative costs excluding legal and bad debt provisions were £11.4m compared to £10.6m for H1 2023 as a result of increased investment in strategic initiatives as noted above.

A summary of the results for H1 2024 are as follows:

	H1 2024	H1 2023
IFRS profit before tax	£4.1m	£3.1m
IFRS basic earnings per share	3.0p	2.2p
Interim dividend - to be paid on 25 April 2024	1.8p	1.8p

As at	31 December 2023	30 June 2023
Assets under Administration	£1,106.0m	£1,101.5m

The Value of In-Force ("VIF") on a regulatory basis as at 31 December 2023 was £120.1m as compared to £124.4m as at 30 June 2023. VIF has decreased due to dividend payments and lower new business volumes, offset by positive market movements.

Details of the results for the period are contained in the Business and Financial Review.

### **Capitalisation and solvency**

A key financial objective is to ensure that the Group's solvency is managed safely through the economic cycle to meet the requirements of regulators, contract holders, intermediaries, and other stakeholders. The Group remains well capitalised.

The Group's Solvency Capital Requirements under risk-based solvency regulations have a coverage ratio of 150%, down slightly on the 30 June 2023 level of 156%. The Group's capital is typically held in a wide range of deposit institutions and in highly rated money market liquidity funds.

### **Hansard OnLine**

In early March 2024, the Hansard OnLine platform migrated to a new system environment, the culmination of a major strategic initiative that delivers numerous benefits and improvements to advisors, their clients and the Group. Implementation of the new system enables Hansard to deliver new products to market more quickly.

Contract holders will also benefit from the migration to a new system environment, accessing a more intuitive, feature rich platform.

### **Our people**

Our people continue to be critical to the success of the Group and demonstrate a continued commitment, and resilience in managing both our on-going day-to-day operations and our key strategic projects.

We maintain a commitment to the highest levels of service and quality in relation to servicing contract holders and intermediaries, and we continue to receive external recognition by our peers. We recently won three client service awards at the 2023 International Investment awards - for Asia and FinTech.

### **Regulation and risk management**

The pace, scale, and complexity of regulatory developments continue to evolve, and the Group devotes significant resources to meet these challenges.

### **Hansard Europe dac ("Hansard Europe")**

Hansard Europe was closed to new business in 2013 and the Group's objective is to run the business off in an efficient and well managed manner. We continue to meet the requirements of the Hansard Europe's policyholders, regulators and stakeholders while utilising operational efficiencies through the use of Hansard OnLine. The servicing of policy contracts and other administrative operations are performed at the Group's head office in the Isle of Man. Regulatory control and management of outsourced activities are exercised from the company's offices in Dublin. Hansard Europe remains well capitalised with net assets of £13.3m.

We continue to robustly defend litigation arising out of circumstances where policyholders consider that the performance of an asset linked to a particular contract is not satisfactory. As outlined more fully in section 11 of the Business and Financial Review, total writs were £22.0m as at 31 December 2023 (30 June 2023: £22.4m).

### **Dividend**

The Board has resolved to pay an interim dividend of 1.8p per share (H1 2023: 1.8p). This dividend will be paid on 25 April 2024.

**Graham Sheward**  
**Chief Executive Officer**  
**6 March 2024**

## **BUSINESS AND FINANCIAL REVIEW**

### **1. BUSINESS MODEL**

Hansard is a specialist long-term savings provider that has been providing innovative financial solutions for international clients since 1987. We focus on helping financial advisors and institutions to provide their clients (individual and corporate investors) with savings and investment products within secure insurance wrappers to meet long-term savings and investment objectives. We administer assets in excess of £1 billion for just under 40,000 client accounts around the world.

The Company's head office is in Douglas, Isle of Man, and its principal subsidiaries operate from the Isle of Man, The Bahamas and the Republic of Ireland.

Hansard International Limited ("Hansard International") is authorised by the Isle of Man Financial Services Authority and has a branch in Malaysia, authorised by the Labuan Financial Services Authority, to support business flows from Asian growth economies. Hansard International also has a branch in Japan to support its Japanese proposition, which is authorised by the Japanese Financial Services Agency. Through its relationship with a local insurer in the UAE, Hansard International reinsures business written in the UAE.

Launched in 2019, Hansard Worldwide underwrites international and expatriate business around the world. It is regulated by the Insurance Commission of The Bahamas.

Hansard Europe is regulated by the Central Bank of Ireland. Hansard Europe ceased accepting new business with effect from 30 June 2013.

Our products are designed to appeal to affluent international investors, institutions, and wealth-management groups. They are distributed exclusively through Independent Financial Advisers ("IFAs") and the retail operations of financial institutions.

Our network of Regional Sales Managers provides local language-based support services to independent financial advisors in key territories around the world, supported by our multi-language online platform, Hansard OnLine.

### **2. VISION AND STRATEGY**

Our vision for the Hansard Group is:

*"To share success with our clients by providing simple, understandable and innovative financial solutions".*

To deliver this vision, client outcomes will be the central focus within our business and consequently we will seek to evolve all aspects of our products, processes and distribution in order to constantly improve.

Our talented people are the foundation of our business. We have created an empowering culture, which values innovation, quality, integrity and respect.

Our strategy to improve, grow and future-proof our business will be delivered through three key areas of strategic focus:

- i. Improve our business: We will continue to improve customer outcomes through the introduction of new disclosures, the provision of new products and services, focusing on the quality of our IFAs



with whom we work with and continuing to drive up the engagement of our people within our business.

- ii. Grow our business: We have acquired the necessary licence and approvals to access the Japanese market and have made significant progress developing a distribution opportunity for our Japanese proposition. We will continue to seek out opportunities for locally licenced business in other targeted jurisdictions over the coming years.
- iii. Future-proof our business: We actively consider new and innovative technologies, propositions and business models, and have recently launched our new policy administration system.

### **3. HANSARD ONLINE**

In early March 2024, the Hansard OnLine platform migrated to a new system environment, the culmination of a major strategic initiative that we expect will deliver numerous benefits and improvements to advisors and their clients. The policy details of thousands of existing contract holders were successfully transferred to the new platform, providing them access to a new, intuitive and feature-rich portal.

Furthermore, the arrival of the new platform enables Hansard to develop and deliver new products to market more quickly. The first of these, 'Global Select', Hansard's new open architecture, single premium bond, was launched to a select number of advisors in January 2024, with other product launches scheduled in the coming months.

Hansard OnLine is a powerful and secure tool that is used by advisors around the world. Available in multiple languages, it allows them to access information regarding their clients' policies, to generate reports, submit new business applications online, place dealing and switch instructions online, and to access all client correspondence.

Almost all investment transactions are processed electronically by intermediaries, on behalf of their clients, using Hansard OnLine and over 90% of all new business applications are submitted via the platform.

The straight-through processing reduces the Group's operational risk exposures, as does the ability of the Group to communicate electronically with contract holders and advisors. Data validation happens in real-time to ensure there are no delays to the investment of client funds.

Hansard OnLine is recognised by many IFAs as market leading, and our online proposition has been nominated for and won a number of independent industry awards in recent years. Most recently this included winning International Investment's "Excellence in Fintech" award in October 2023.

#### **Online Accounts**

As more contract holders become technologically savvy, there is an increasing trend for them to take more control of their financial wellbeing by embracing mobile technology to better monitor and manage their finances, via their personalised, Hansard Online Account.

Supporting our commitment to delivering 'excellent customer service', we believe it is vital to provide our clients with an intuitive, secure online platform that allows them to access their finances easily and comprehensively, 24/7.

Similar to our advisor-facing online platform, the client's Online Account enables the client to access all policy information, valuation statements, transaction history, premium reports, correspondence, and a library of forms and literature, to switch funds online; and to receive post electronically, rather than in hard-copy form. This not only provides a more secure, faster and more cost-efficient means of communication with clients, but also the convenience to manage their own contract within a timeframe which is convenient to them.

#### **Cyber security**

Hansard continues to invest in its cyber security infrastructure with the implementation of a Security Operations Centre, operating at an ISO27001 (Information Technology Security Standard) standard, to provide further enhanced surveillance of our systems and external threats.

#### 4. NEW BUSINESS

##### PROPOSITION

The Group's proposition is to develop and enhance relationships with contract holders and intermediaries through the use of our people, products and technology in a way that meets shared objectives.

The results of activities in each region in H1 2024 are reported in the table below.

##### NEW BUSINESS PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

New business for H1 2024 was £36.2m on a PVNBP basis, down 16.6% from £43.4m H1 2023. This reflected continuing uncertainties in global economic conditions and a general hesitancy by clients to commit to long-term savings products.

New business levels for H1 2024 are summarised as follows:

	Six months ended		Year ended
	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Present Value of New Business Premiums	36.2	43.4	85.7
Annualised Premium Equivalent	5.5	6.4	12.7

The following tables show the breakdown of new business calculated on the basis of PVNBP:

By type of contract	Six months ended		Year ended
	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Regular premium	21.9	30.8	55.7
Single premium	14.3	12.6	30.0
	36.2	43.4	85.7

By geographical area	Six months ended		Year ended
	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Middle East and Africa	16.2	19.5	42.4
Latin America	10.6	13.7	25.7
Rest of World	6.5	7.4	12.1
Far East	2.9	2.8	5.5
Total	36.2	43.4	85.7

PVNBP and other terms are defined in the Glossary contained within the Group's annual financial statements, which are available from the Group's website ([www.hansard.com](http://www.hansard.com)).

We continue to receive new business from a diverse range of financial advisors around the world. The majority of new business premiums are denominated in US dollars at approximately 86% (H1 2023: 91%), with approximately 9% denominated in sterling (H1 2023: 6%), and the remainder in euro or other

currencies.

In our largest region, Middle East and Africa, new business was down 17.1% in H1 2024 compared to H1 2023. Although lower than expected we have made good progress with distribution relationships following the launch of our new single premium proposition in January 2024 and remain optimistic for new business in these regions for H2 2024.

New business in Latin America was down 22.5% in H1 2024 compared to H1 2023. This reflects a general trend in client preference towards single premium business. We have had a positive reaction to our new single premium proposition launched in January 2024, and continue to work on building business with new distribution partners to supplement our existing distribution.

The Rest of World region was down 12.6% in H1 2024 compared to H1 2023 as a result of consolidation of advisors in the region due to the continued uncertainty, mostly arising from the current geopolitical environment.

The 4.3% increase in Far East business in H1 2024 compared to H1 2023 reflects a change in support structure which has had a positive impact for the region and early development and engagement with advisors around a new proposition change for the region.

Our new single premium proposition was the first product to launch successfully on our new advisor and client portal. This was the foundation for the migration of our full operating system at the beginning of March, following which the system now enables more nimble proposition development for key distributors in the future.

We also continue to make encouraging progress with distribution opportunities and future new business for our Japanese proposition.

## **5. IFRS RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

The Group administers, and earns fees from, a portfolio of unit-linked investment contracts distributed to contract holders around the world.

The nature of the Group's products means that new business flows have a limited immediate impact on current earnings reported under IFRS, as initial fees and acquisition costs from the contracts sold are mostly deferred and amortised over the life of the contract. The benefit of sales to fee income levels are felt in future financial periods, noting also that our newer products have a longer earning period than our older products.

The Group also continues to invest strategically for the future, particularly in relation to new markets and new licensing opportunities.

### **Results under IFRS**

Consolidated profit before taxation for the period was £4.1m (H1 2023: £3.1m). The increase on the prior year period is driven by increased fee income in Hansard International and improved investment returns as a result of sustained higher interest rates, partially offset by increased investment in strategic initiatives.

The following is a summary of key items to allow readers to better understand the results of the period.

### **ABRIDGED INCOME STATEMENT**

The condensed consolidated statement of comprehensive income which is presented within these half-year results reflects the financial results of the Group's activities during the period under IFRS. This statement however, as a result of its method of presentation, incorporates a number of features that might affect a clearer understanding of the results of the Group's underlying transactions. This relates principally to:

- Investment gains attributable to contract holder assets were £41.7m (H1 2023: £21.6m). These assets are selected by the contract holder, or an authorised intermediary and the contract holder bears the investment risk, and these gains are therefore also reflected within 'Change in provisions for investment contract liabilities'.
- Third party fund management fees collected and paid onwards by the Group to third parties having a relationship with the underlying contract. In H1 2024 these were £2.5m (H1 2023: £2.7m). These are reflected on a gross basis in both income and expenses under IFRS.

An abridged consolidated income statement is presented below, excluding the items of income and expenditure indicated above.

	Six months ended		Year
	31 December		ended
	2023	2022	30 June
	£m	£m	2023
			£m
Fees and commissions	21.5	20.2	40.5
Investment and other income	3.1	2.4	5.4
	24.6	22.6	45.9
Origination costs	(8.3)	(8.1)	(16.2)
Administrative and other expenses attributable to the Group	(11.4)	(10.6)	(22.3)
Operating profit for the period before litigation and non-recurring expense items	4.9	3.9	7.4
Net litigation and non-recurring expense items	(0.8)	(0.8)	(1.5)
<b>Profit for the period before taxation</b>	<b>4.1</b>	<b>3.1</b>	<b>5.9</b>
Taxation	(0.1)	(0.1)	(0.2)
<b>Profit for the period after taxation</b>	<b>4.0</b>	<b>3.0</b>	<b>5.7</b>

#### Fees and commissions

Fees and commissions attributable to Group operations for H1 2024 were £21.5m (H1 2023: £20.2m). A summary of fees and commissions attributable to Group activities is set out below:

	Six months		Year
	Ended		ended
	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Contract fee income	15.2	14.0	28.1
Fund management fees	3.9	3.9	7.7
Commissions receivable	2.4	2.3	4.7
	21.5	20.2	40.5

Included in contract fee income is £9.1m (H1 2023: £8.4m) representing the amounts prepaid in previous years and amortised to the income statement, as can be seen in section 7 in the reconciliation of deferred income.

Net fund management fees, together with commissions receivable, totalling £6.3m (H1 2023: £6.2m), are related to the value of contract holder Assets under Administration ("AuA") but also have elements amortised from previous periods.

## Investment and other income

	Six months Ended 31 December		Year ended 30 June
	2023	2022	2023
	£m	£m	£m
Bank interest, interest on bonds and other income receivable	2.7	1.6	4.5
Foreign exchange gains/(losses) on revaluation of net operating assets	0.4	0.8	0.9
	<b>3.1</b>	2.4	5.4

The Group's own liquid assets are held predominantly in sterling and invested in highly rated money market funds and bank deposits.

Further information about the Group's foreign currency exposures is disclosed in note 4.1 to these condensed consolidated financial statements.

## Origination costs

Under IFRS, new business commissions paid, together with the directly attributable incremental costs incurred on the issue of a contract, are deferred and amortised over the life of that contract to match the longer-term income streams expected to accrue from it. Typical terms range between 8 and 16 years, depending on the nature of the product. Other elements of the Group's new business costs, which reflect investment in distribution resources in line with our strategy, are expensed as incurred.

This accounting policy reflects that the Group will continue to earn income over the long-term from contracts issued in a given financial year.

Origination costs in the period were:

	Six months Ended 31 December		Year ended 30 June
	2023	2022	2023
	£m	£m	£m
Origination costs - deferred to match future income streams	3.7	4.5	8.8
Origination costs - expensed as incurred	1.2	1.3	2.7
Investment in new business in period	4.9	5.8	11.5
Net amortisation of deferred origination costs	3.4	2.3	4.7
	<b>8.3</b>	8.1	16.2

Reflecting the long-term nature of the Group's income streams, amounts totaling £7.1m (H1 2023: £6.8m) have been expensed to match contract fee income of £9.1m (H1 2023: £8.4m) earned in H1 2024 from contracts issued in previous financial years. This reflects the profitability of the existing book.

Origination costs incurred in H1 2024 have increased due to the higher amortisation of previously deferred origination costs.

Summarised origination costs for the period were:

	<b>Six months Ended 31 December</b>		<b>Year ended 30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Amortisation of deferred origination costs	7.1	6.8	13.5
Other origination costs incurred during the period	1.2	1.3	2.7
	<b>8.3</b>	8.1	16.2

### **Administrative and other expenses**

We continue to manage our expense base robustly to control administrative expenses while investing strategically in our systems infrastructure and our Japanese proposition.

A summary of administrative and other expenses attributable to the Group is set out below:

	<b>Six months Ended 31 December</b>		<b>Year Ended 30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Salaries and other employment costs	5.5	5.4	10.7
Other administrative expenses	4.1	4.0	7.7
Professional fees, including audit	0.8	0.8	3.1
<b>Recurring administrative and other expenses</b>	<b>10.4</b>	10.2	21.5
Investment in strategic initiatives	1.0	0.4	0.8
<b>Administrative and other expenses, excl. litigation and non-recurring expense items</b>	<b>11.4</b>	10.6	22.3
Net litigation defence and settlement costs	0.7	0.6	1.4
Provision for doubtful debts	0.1	0.2	0.1
<b>Total administrative and other expenses</b>	<b>12.2</b>	11.4	23.8

**Salaries and other employment costs** have increased by £0.1m over the comparative period to £5.5m. We continue to take a prudent approach to headcount, salaries and variable compensation. The average Group headcount for H1 2024 was 194 compared to 184 for the full 2023 financial year. Headcount at 31 December 2023 was 183.

**Other administrative expenses** have increased marginally by £0.1m to £4.1m against the comparative period.

**Professional fees including audit** (excluding litigation defence costs) remained static at £0.8m, with inflationary pressures well controlled.

**Investment in strategic initiatives** of £1.0m represents internal and external costs to generate opportunities for growth. This includes the costs of our head office strategy team, support costs for our new operating platform and development costs associated with our Japanese proposition.

**Litigation defence and settlement costs** represent those costs incurred in defending claims against Hansard Europe of £0.7m for the period, compared with £0.6m in H1 2023. No further strengthening of the provision for claim settlements was required in H1 2024.

**Provision for doubtful debts** reflects the provision for balances considered unlikely to be recoverable.

## 6. CASH FLOW ANALYSIS

The sale of the Group's products typically produces an initial cash strain as a result of the commission and other costs incurred at inception of a contract.

The following summarises the Group's own cash flows in the period:

	Six months Ended		Year ended
	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Net cash surplus from operating activities	10.5	6.5	15.9
Interest received	2.2	0.9	3.0
Net cash inflow from operations	12.7	7.4	18.9
Net cash investment in new business	(3.3)	(4.5)	(8.5)
Purchase of software, computer equipment and property	(2.4)	(3.2)	(6.6)
Net cash investment in bond portfolio	-	-	(5.0)
Cashflows from investing activities	(5.0)	-	-
Corporation tax paid	-	(0.1)	(0.4)
<b>Net cash inflow/(outflow) before dividends</b>	<b>2.0</b>	<b>(0.4)</b>	<b>(1.6)</b>
Dividends paid	(3.6)	(3.5)	(5.9)
<b>Net cash outflow after dividends</b>	<b>(1.6)</b>	<b>(3.9)</b>	<b>(7.5)</b>

Initial new business cash strain is shown within "net cash investment in new business" and varies depending on the level and type of new business written. £2.4m was spent during the period, primarily on the project to upgrade the Group's IT infrastructure.

The factors described above, together with the payment of our final dividend for 2023, led to a net cash outflow of £1.6m (H1 2023: £3.9m outflow) in the Group's own cash resources since 1 July 2023. The Group continues to maintain significant cash reserves to cover short-term outflows during this period of strategic investment.

	Six months ended		Year ended
	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Net cash outflow after dividends	(1.6)	(3.9)	(7.5)
Increase/(decrease) in amounts due to contract holders	2.6	(0.3)	0.6
Net Group cash movements	1.0	(4.2)	(8.1)
Group cash - opening position	65.4	74.5	74.5
Effect of exchange rate movements	0.1	0.4	(1.0)
<b>Group cash - closing position</b>	<b>66.5</b>	<b>70.7</b>	<b>65.4</b>

### Bank deposits and money market funds

The Group's liquid assets at the balance sheet date are held in highly rated money market liquidity funds and with a wide range of deposit institutions, predominantly in sterling. This approach protects the Group's capital base from stock market falls.

Deposits totalling £20.7m (H1 2023: £13.7m) have original maturity dates greater than 3 months and are therefore excluded from the definition of "cash and cash equivalents" under IFRS.

The following table summarises the total shareholder cash and deposits at the balance sheet date.

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Money market funds	<b>34.7</b>	46.0	41.2
Short-term deposits with credit institutions	<b>11.1</b>	11.0	11.0
Cash and cash equivalents under IFRS	<b>45.8</b>	57.0	52.0
Longer-term deposits with credit institutions	<b>20.7</b>	13.7	<b>13.2</b>
<b>Group cash and deposits</b>	<b>66.5</b>	70.7	65.4

## 7. ABRIDGED CONSOLIDATED BALANCE SHEET

The condensed consolidated balance sheet presented under IFRS reflects the financial position of the Group as at 31 December 2023. As a result of its method of presentation, the consolidated balance sheet incorporates the financial assets held to back the Group's liability to contract holders and incorporates the net liability to those contract holders of £1,106.0m (31 December 2022: £1,099.0m). Additionally, that portion of the Group's capital that is held in bank deposits is disclosed in "cash and cash equivalents" based on original maturity terms, as noted above.

The abridged consolidated balance sheet presented below, adjusted for those differences in disclosure, allows a better understanding of the Group's own capital position. Additional factors impacting upon the Group's capital position at the balance sheet date are summarised in section 9 of this Review.

<b>As at</b>	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Assets</b>			
Deferred origination costs	<b>114.5</b>	120.2	117.8
Other assets	<b>30.0</b>	24.8	27.6
Bank deposits and money market funds	<b>66.5</b>	70.7	65.4
	<b>211.0</b>	215.7	210.8
<b>Liabilities</b>			
Deferred income	<b>142.2</b>	145.7	144.8
Other payables	<b>46.8</b>	48.5	44.2
	<b>189.0</b>	194.2	189.0
<b>Net assets</b>	<b>22.0</b>	21.5	21.8
<b>Shareholders' equity</b>			
Share capital and reserves	<b>22.0</b>	21.5	21.8

### Deferred origination costs

The deferral of origination costs ("DOC") reflects that the Group will earn fees over the long term from contracts issued in a given financial year. These costs are recoverable out of future net income from the relevant contract and are charged to the consolidated statement of comprehensive income on a straight-line basis over the life of each contract.

The table below shows lower origination costs deferred during the period as a result of lower levels of new business sold compared to last year.

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>



At beginning of financial year	<b>117.8</b>	122.5	122.5
Origination costs deferred during the period	<b>3.7</b>	4.5	8.7
Origination costs amortised during the period	<b>(7.0)</b>	(6.8)	(13.4)
	<b>114.5</b>	120.2	117.8

### Deferred income

The treatment of deferred income ensures that initial fees are taken to the consolidated statement of comprehensive income in equal instalments over the longer-term, reflecting the services to be provided over the period of the contract. This is consistent with the treatment of deferred origination costs. Deferred income at the balance sheet date is the unamortised balance of accumulated initial amounts received on new business.

The proportion of income deferred in any one year is dependent upon the mix and volume of new business flows in previous years. The Group's focus on regular premium business means that these fees are received over the initial period of the contract, rather than being received up front, as is often the case with single premium contracts.

The majority of initial fees collected during the period relate to charges taken from contracts issued in prior financial years demonstrating the cash generative nature of the business. Regular premium contracts issued in this financial year will generate the majority of their initial fees over the next 18 months on average.

The movement in value of deferred income over the period is summarised below.

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
At beginning of financial year	<b>144.8</b>	145.1	145.1
Initial fees collected in the period and deferred	<b>6.5</b>	9.0	16.5
Income amortised during the period to fee income	<b>(9.1)</b>	(8.4)	(16.8)
	<b>142.2</b>	145.7	144.8

## 8. ASSETS UNDER ADMINISTRATION ("AUA")

In the following paragraphs, "AuA" refers to net assets held to cover financial liabilities as analysed in note 13 to the condensed consolidated financial statements presented under IFRS. Such assets are selected by or on behalf of contract holders to meet their investment needs.

The Group receives investment inflows to its AuA from single and regular premium contracts which are offset by charges, withdrawals, premium holidays affecting regular premium policies and by market valuation movements.

The majority of premium contributions and AuA are designated in currencies other than sterling, reflecting the wide geographical spread of those contract holders. The currency denomination of AuA at 31 December 2023 is similar to that of 31 December 2022 and consists of approximately 71% denominated in US dollars, 19% in sterling and 8% denominated in euro as reflected in note 4.1 to the condensed consolidated financial statements.

Certain collective investment schemes linked to customers' contracts can from time to time become illiquid, suspended or be put into liquidation. In such cases, the Directors are required to exercise their judgement in relation to the fair value of these assets. The cumulative impact on the balance sheet is not material.

The following table summarises Group AuA movements for H1 2024:

<b>31 December</b>	<b>30 June</b>
<b>2023</b>	<b>2023</b>

	£m	£m	£m
Deposits to investment contracts - regular premiums	38.8	44.2	86.1
Deposits to investment contracts - single premiums	13.8	12.7	30.2
Withdrawals from contracts and charges	(87.6)	(73.2)	(147.7)
Effect of market and currency movements	39.5	23.0	40.6
Movement in period	4.5	6.7	9.2
Opening balance	1,101.5	1,092.3	1,092.3
<b>Closing balance</b>	<b>1,106.0</b>	1,099.0	1,101.5

Group AuA increased to £1,106.0m during H1 2024, an increase of £4.5m from the position at 30 June 2023, reflective of positive global stock markets during the period. Since 31 December 2022, AuA have increased £7.0m (0.6%) reflecting the move in global stock markets over the period.

The analysis of AuA held by each Group subsidiary to cover financial liabilities is as follows:

	31 December 2023 £m	2022 £m	30 June 2023 £m
Hansard International	1,044.5	1,032.7	1,037.7
Hansard Europe	61.5	66.3	63.8
	<b>1,106.0</b>	1,099.0	1,101.5

Premiums acquired by Hansard Worldwide are reinsured to Hansard International and therefore are included within Hansard International's total AuA.

Since it closed to new business in 2013, Hansard Europe's AuA has been declining broadly in line with expectations as withdrawals are made or contracts mature.

## 9. CAPITALISATION AND SOLVENCY

The Group's life insurance subsidiaries continue to be well capitalised with free assets in excess of the regulatory requirements in each relevant jurisdiction. There has been no material change in the Group's management of capital during the period.

Solvency capital is a combination of future margins, where permitted by regulation, and capital. Where future margins are denominated in non-sterling currencies, it is vulnerable to the weakening of those currencies relative to sterling. All of the Group's excess capital is invested in a wide range of deposit institutions, highly rated money market liquidity funds, and high-quality corporate bonds, predominantly in sterling. This approach protects the Group's capital base from stock market falls.

The in-force portfolio has no material investment options or guarantees that could cause capital strain and the Group retains very little of the mortality risk that it has accepted (the balance being reinsured with premium reinsurers). There is no longevity risk exposure.

### Policy on capital maintenance

It is the Group's policy to maintain a strong capital base in order to:

- satisfy the requirements of its contract holders, creditors and regulators;
- maintain financial strength to support new business growth and create shareholder value;
- match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- generate operating cash flows; and
- fund dividend requirements.

Within the Group each subsidiary company manages its own capital. Capital generated in excess of planned requirements is returned to the Company by way of dividends. Group capital requirements are monitored by the Board. The capital held within Hansard Europe is considered not to be available for dividend to Hansard Global plc until such time as the legal cases referred to in section 11 below are substantially resolved.

## **10. DIVIDENDS**

A final dividend of 2.65p per share in relation to the previous financial year was paid in November 2023. This amounted to £3.6m.

The Board has considered the results for H1 2024, the Group's continued cash flow generation and its future expectations and has resolved to pay an interim dividend of 1.8p per share (H1 2023: 1.8p). This dividend will be paid on 25 April 2024.

## **11. COMPLAINTS AND LITIGATION**

Financial services institutions can be drawn into disputes in cases where the performance of assets selected directly by or on behalf of contract holders through their advisors fails to meet their expectations. This is particularly relevant in the case of more complex products distributed in Europe prior to 2014.

Even though the Group has never given any investment advice, as this is left to the contract holder directly or through an agent, advisor or an entity appointed at their request or preference, the Group has been subject to a number of complaints in relation to the performance of assets linked to contracts, some of which have escalated into litigation.

As at the date of the 2023 Annual Report, the Group faced litigation based on writs totalling €26.1m or £22.4m. The corresponding figure as at 31 December 2023 was €25.2m or £22.0m (31 December 2022: €26.6m or £23.6m). Between 31 December 2023 and the date of this report, there have been no material changes.

Our policy is to maintain contingent liabilities even where we win cases in the court of first instance if such cases have been subsequently appealed.

We have previously noted that we expect a number of our larger claims and litigation costs to ultimately be covered by our Group insurance cover. During the period to 31 December 2023 we recorded £0.7m in insurance recoveries in relation to litigation expenses (31 December 2022: £nil). We expect such reimbursement to continue during the course of those claims.

We continue to estimate insurance coverage against the £22.0m of contingent liabilities referred to above to be in the range of £3m to £10m.

While it is not possible to forecast or determine the final results of such litigation, based on the pleadings and advice received from the Group's legal representatives and experience with cases previously successfully defended, we believe we have a strong chance of success in defending these claims. Other than smaller cases where, based on past experience, it is expected a settlement might be reached, the writs have therefore been treated as contingent liabilities and are disclosed in note 21 to the condensed consolidated financial statements.

## **12. NET ASSET VALUE PER SHARE**

The net asset value per share on an IFRS basis at 31 December 2023 is 16.2p (31 December 2022: 15.6p) based on the net assets in the consolidated balance sheet divided by the number of shares in issue, being 137,557,079 ordinary shares (31 December 2022: 137,557,079).

## **13. RISK MANAGEMENT AND INTERNAL CONTROL**

The Group is naturally exposed to both existing and emerging internal and external risks as it pursues its strategic and business plan objectives. All such risks, are identified, assessed, monitored, managed and reported under the governance, risk management and internal control protocols, which constitute the

Group's ERM Framework, and which remain central to the Board's oversight, direction and control of the Company.

For the period ended 31 December 2023 the Board has continued to monitor sources of potential risk in the internal and external environments, including climate transition risks, factors presenting increased cyber vulnerabilities, barriers to international mobility, supply chain disruptions, protectionism, geopolitical instabilities and inflationary pressures.

The Board has also remained cognisant of geopolitical instabilities and their capacity to provoke a confluence of socioeconomic risks with a range of actual or potential impacts, including those to economic and global financial markets, rising inflation and supply chain disruption. The nature and duration of such conflict and the potential for further escalation, additional sanctions and global reactions to ongoing developments warrant close scrutiny.

## **Approach**

Having regard to the Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting', the ERM Framework encompasses the policies, processes, tasks, reporting conventions, behaviours and other aspects of the Group's environment, which cumulatively:

- Support the Board's assessment of existing and emerging risks, together with combinations of those risks in the form of plausible stresses and scenarios, which have the potential to threaten the Company's business model, future performance, solvency, liquidity or reputation. Such assessment includes analysis of the likelihood, impact and time horizon over which such risks, or combinations of risks might emerge or crystallise.
- Facilitate the effective and efficient operation of the Group and its subsidiary entities by enabling a consolidated and comprehensive approach to the management of risks across the Group, with specific attention to aggregate impacts and effects, enabling appropriate responses to be made to significant business, operational, financial, compliance and other risks to business objectives, so safeguarding the assets of the Group.
- Help to ensure the quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the Group, enabling the Board to form their own view on the effectiveness of risk management and internal control arrangements through the regular provision of relevant information and assurances.
- Seek to ensure continuous compliance with applicable laws and regulations as well as with internal policies governing the conduct of business.
- Drive the cultural tone and expectations of the Board in respect of governance, risk management and internal control arrangements and the delegation of associated authorities and accountabilities.

The Board has overall responsibility for the effective operation of the ERM Framework and the Directors retain responsibility for determining, evaluating and controlling the nature and extent of the risks which the Board is willing to accept across the spectrum of risk types, taking account of varying levels of strategic, financial and operational stresses, potential risk scenarios and emerging as well as existing risk exposures. This approach ensures that risk appetite remains an integral element of decision-making by both the Board and the Executive Management Team, including in the setting of strategy, ongoing business planning and business change initiatives.

The ERM Framework has been designed to be appropriate to the nature, scale and complexity of the Group's business at both corporate and subsidiary level. The Framework components are reviewed on at least an annual basis and refined, if necessary, to ensure they remain fit for purpose in substance and form and continue to support the Directors' assessment of the adequacy and effectiveness of the Group's risk management and internal control systems. Such assessment depends upon the Board maintaining a thorough understanding of the Group's risk profile, including the types, characteristics, interdependencies, sources and potential impact of both existing and emerging risks on an individual and aggregate basis.

The disciplines of the ERM Framework seek to coordinate risk management in respect of the Group as a whole, including for the purpose of ensuring compliance with capital adequacy requirements, liquidity adequacy requirements and regulatory capital requirements, in line with the Isle of Man Financial Services Authority Risk-Based Capital Regime.

Governance, risk management and internal control protocols remain structured upon a 'three lines' model, which determines how specific duties and responsibilities are assigned and coordinated. Front line management are responsible for identifying risks, executing effective controls and escalating risk issues and events to the Group's Control Functions. The Group Risk and Compliance Functions oversee and work in collaboration with the First Line, ensuring that the business is conducted in a manner consistent with rules, limits and risk appetite constraints. The Group Internal Audit Department provides independent assurance services to the Board and Executive Management Team on the adequacy and effectiveness of the Group's governance, risk management and internal control arrangements.

The ERM Framework seeks to add value through embedding risk management and effective internal control systems as continuous and developing processes within strategy setting, programme level functions and day-to-day operating activities. The ERM Framework also acknowledges the significance of organisational culture and values in relation to risk management and their impact on the overall effectiveness of the internal control framework.

### **Emerging Risks**

The ERM Framework promotes the pursuit of its overarching performance, information and compliance objectives through focus on five interrelated elements, which enable the management of risk at strategic, programme and operational level to be integrated, so that layers of activity support each other. The five interrelated elements are defined as: -

- Management oversight and the control culture
- Risk recognition and assessment
- Control activities and segregation of duties
- Information and communication
- Monitoring activities and correcting deficiencies

Risk management processes are undertaken on both a top-down and bottom-up basis, structured to promote improved organisational performance through better integration of strategy, risk, control and governance.

The top-down aspect involves the Board assessing, analysing and evaluating what it believes to be the principal risks facing the Group, with focus on current and forward-looking risks. The bottom-up approach involves the identification, review and monitoring of risk issues and emerging risks at functional and divisional levels, with analysis and formal reporting to the Group Risk Forum on a quarterly basis and onward analytical reporting to the Board.

Stress and scenario testing is used to explore emerging risks as well as to analyse and assess any changes in existing aspects of the 'Risk Universe', which are monitored via the ERM Framework. Such analyses use both quantitative tests and qualitative assessments to consider reasonably plausible risk events, including those stresses and scenarios that could lead to failure of the business, approximated to the range of impact types which can be envisaged. The results of the stress and scenario testing are considered and explored by the Group Risk Forum, the Audit and Risk Committee and the Board, as necessary and appropriate.

The system of internal control is designed to understand and manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable, rather than absolute assurance against material misstatement or loss.

## **Review of risk management and internal control systems**

The results of the risk management processes combine to facilitate identification of the principal business, financial, operational and compliance risks and any associated key risks at a subordinate level. Established reporting cycles enable the Board to maintain oversight of the quality and value of risk management and internal control activities throughout the year and ensure that the entirety of the governance, risk management and internal control frameworks, which constitute the ERM Framework, are operating effectively and as intended. These processes have been in place throughout the year under review and up to the date of this report.

Independently of its quarterly and ad hoc risk reporting arrangements the Board has conducted its annual review of the effectiveness of the Company's risk management and internal control systems including financial, operational and compliance controls. This review is undertaken in collaboration with the Audit and Risk Committee and is based upon analysis and evaluation of:

- Attestation reporting from the key subsidiary companies of the Group as to the effective functioning of the risk management and internal control frameworks and the ongoing identification and evaluation of risk within each subsidiary.
- Formal compliance declarations from senior managers at divisional level that key risks are being managed appropriately within the functional and operational areas falling under their respective span of control and that controls have been examined and are effective.
- The cumulative results of cyclical risk reporting by senior and executive management via the Group Risk Forum, covering financial, operational and compliance controls.
- Independent assurance work by the Group Internal Audit Department to identify any areas for enhancements to internal controls and work with management to define associated action plans to deliver them.

The Board has determined that there were no areas for enhancement which constituted a significant weakness for the year under review and they are satisfied that the Group's governance, risk management and internal control systems are operating effectively and as intended.

## **Financial reporting process**

Integral to ERM monitoring and reporting arrangements are the conventions which ensure that the Board maintains a continuous understanding of the financial impacts of the Group failing to meet its objectives, due to crystallisation of an actual or emerging risk, or via the stress and scenario events, which the Board considers to be reasonably plausible. This includes those stresses and scenarios that could lead to a failure of the business. Planning and sensitivity analyses incorporate Board approval of forecast financial and other information. The Board receives regular representations from Senior Executives in this regard.

Performance against targets is reported to the Board quarterly through a review of Group and subsidiary company results based on accounting policies that are applied consistently throughout the Group. Financial and management information is prepared quarterly by the Chief Financial Officer (CFO) and presented to the Board and Audit & Risk Committee. The members of the Audit & Risk Committee review the interim financial statements for the half year ending 31 December and for the full financial year and meet with the CFO to discuss and challenge the presentation and disclosures therein. Once the draft document is approved by the Audit & Risk Committee, it is reviewed by the Board before final approval at a Board meeting.

## **Outsourcing**

The majority of investment dealing and custody processes in relation to contract holder assets are outsourced to Capital International Limited (CIL), a company authorised by the Isle of Man Financial Services Authority and a member of the London Stock Exchange.

These processes are detailed in a formal contract that incorporates notice periods and a full exit management plan. Delivery of services under the contract is monitored by a dedicated Relationship Manager against a documented Service Level Agreement, which includes Key Performance Indicators.

CIL is required to confirm on a monthly basis that no material control weaknesses have been identified in their operations; this is overseen via service delivery monitoring performed by the Relationship Manager. Each year CIL are required to confirm and evidence the adequacy and effectiveness of their internal control framework through a formal Assurance Report on Internal Controls, with an external independent review performed every second year. The last such independent report for the 2023 financial year was issued on 31 January 2024 and did not contain any material issues that could impact on the financial reporting of HG. However, some control deficiencies, particularly relating to the evidencing of the operation of controls, were identified, and will be addressed as a priority by CIL.

### **Risks relating to the Group's financial and other exposures**

Hansard's business model involves the controlled acceptance and management of risk exposures. Under the terms of the unit-linked investment contracts issued by the Group, the contract holder bears the investment risk on the assets in the unit-linked funds, as the policy benefits are directly linked to the value of the assets in the funds. These assets are administered in a manner consistent with the expectations of the contract holders. By definition there is a precise match between the investment assets and the contract holder liabilities, and so the market risk and credit risk lie with contract holders.

The Group's exposure on this unit-linked business is limited to the extent that income arising from asset management charges and commissions is generally based on the value of assets in the funds, and any sustained falls in value will reduce earnings. In addition, there are certain financial risks (credit, market and liquidity risks) in relation to the investment of shareholders' funds. The Group's exposure to financial risks is explained in note 4 to the consolidated financial statements.

The Board believes that the principal risks facing the Group's earnings and financial position are those risks which are inherent to the Group's business model and operating environment. The regulatory landscape continues to evolve at both a local and international level and the risk management and internal control frameworks of the Group must remain responsive to developments which may change the nature, impact or likelihood of such risks, or the time horizon within which they might crystallise.

### **Principal Risks**

The following table sets out the principal inherent risks that may impact the Group's strategic objectives, profitability or capital and provides an overview of how such risks are managed or mitigated. The Board robustly reviews and considers its principal risks on at least an annual basis and for the period ended 31 December 2023 have continued to consider specifically the likelihood, impacts and timescales within which such risks might crystallise, together with assessment of contingent uncertainties and any emerging risks.

<b>Risk</b>	<b>Risk Factors and Management</b>
<p><b>Distribution Risk:</b></p> <p><b>Arising from market changes, technological advancement, loss of key intermediary relationships or competitor activity</b></p>	<p>The business environment in which the international insurance industry operates is subject to continuous change as new market and competitor forces come into effect and as technology continues to evolve. The Group may be unable to maintain competitive advantage in commercially significant jurisdictions, or market segments, or be unable to build and sustain successful distribution relationships, particularly in the event of any prolonged uncertainties consequent to the pandemic environment.</p> <p><b>How we manage the risk:</b></p> <ul style="list-style-type: none"> <li>· Close monitoring of marketplaces, competitor activity and consumer sentiment for signs of emerging risks and threats to forecast new business levels.</li> <li>· Stress and scenario modelling considers the consequences of production falling materially above or below target and enables the Board to ensure that forecasting and planning activities are sufficiently robust and revised product and distribution strategies are designed to add additional scale to the business, on a more diversified basis, through organic growth at acceptable levels of risk and profitability.</li> <li>· Continuous investment in and development of technology. During the reporting period we have continued to maintain close contact with our distribution partners and deploy technological solutions, where appropriate.</li> </ul>

- Investment in new markets and expansion of existing markets, developing new key distributor relationships and new product development for specific markets and globally.

#### **Market Risks:**

**Arising from major market stresses, or fluctuation in market variables, resulting in falls in equity or other asset values, currency movements or a combined scenario manifesting**

Market risks are an inherent element of the Group's unit linked business and are routinely assessed and monitored via the Group ERM Framework, having regard to the balance sheet and profit reduction impacts of a drop in equities, causing a reduction in fees derived from the value of contract holder assets, as well as the contagion effects for aspects of the broader risk portfolio. Such contagion might include deferred impacts to profit through reduced sales activity, concentration risks on fund holdings/underlying assets, and reduced incomes through increased lapse rates.

The Board also recognises that extreme market conditions and prolonged macroeconomic challenges may have the capacity to influence consumer appetite for the selection and purchase of financial services products and the period over which business is retained. Inflation quickly moved to become a significant driver of economic volatilities during the reporting period, with prevailing uncertainty as to how effective typical policy responses might be and the potential for wide ranging and profound changes to be triggered. In addition, the Group operates internationally and earns income in a range of different currencies, with the majority of premiums denominated in USD whilst the vast majority of its operational cost base is denominated in GBP. A significant adverse currency movement over a sustained period remains a principal risk to the Group.

#### **How we manage the risk:**

- The Board recognises that market volatilities and currency movements are unpredictable and driven by a diverse range of factors and these risks are inherent in the provision of investment-linked products.
- The currencies of assets and liabilities are matched within set tolerances and certain expenses are invoiced in US Dollars to match against US Dollar income streams.
- Business plans are modelled across a broad range of market and economic scenarios and take account of alternative commercial outlooks within overall business strategy. This promotes a greater understanding of market and currency risk, the limits of the Group's resilience and the range of possible mitigating options.
- Stress testing performed during the year-ended 30 June 2023 assessed the impacts of reasonably plausible market risk events and scenarios, including those resulting from macroeconomic challenges driven by geopolitical instabilities, rising inflation, uncertainties in commodity price and currency volatilities.
- The long-term nature of the Group's products serves to smooth short term currency fluctuations. However, longer term trends are monitored and considered in pricing models.

#### **Credit Risk:**

**Arising from the failure of a counterparty**

In dealing with third party financial institutions, including banking, money market and settlement, custody and other counterparties, the Group is exposed to the risk of financial loss and potential disruption of core business functional and operational processes.

Financial loss can also arise when the funds in which contract holders are invested become illiquid, resulting in past and future fee income not being received. The failure of Independent Financial Advisors ("IFAs") can also result in loss where unearned commissions can be due back to the Group.

#### **How we manage the risk:**

- The Group seeks to limit exposure to loss or detriment via counterparty failure through robust selection criteria, minimum rating agency limits, pre-defined risk-based limits on concentrations of exposures and continuous review of positions to identify, evaluate, restrict and monitor various forms of exposure on an individual and aggregate basis.
- During the reporting period we have continued to closely monitor geopolitical developments and potential disruptions to international payment systems and capital markets arising from the extensive sanctions in force in the context of the Russia-Ukraine conflict.

#### **Liquidity Risk:**

**Arising from a failure to maintain an adequate level of liquidity to meet financial obligations under both planned and stressed conditions**

If the Group does not have sufficient levels of liquid assets to support business activities or settle its obligations as they fall due, the Group may be in default of its obligations and may incur significant sanction, loss or cost to rectify the position.

#### **How we manage the risk:**

- The Group maintains highly prudent positions in accordance with its risk appetite and investment policies which ensures a high level of liquidity is always available in the short term. Generally, shareholder assets are invested in cash or money market instruments with highly rated counterparties.
- During the reporting period we have maintained a prudent approach to the availability of short-term cash, with no material change in risk exposures.

#### **Legal and Regulatory Risk:**

**Arising from changes in the regulatory landscape, which adversely impact the Group's**

The scale and pace of change in regulatory and supervisory environments, including the continued emergence of new and/or updated compliance obligations and increasingly granular data submission requirements has maintained the momentum gathered post-Covid. Changes to rule sets and supervisory expectations continue to require efficient and effective ways to evidence and



**business model, or from a failure by the Group, or one of its subsidiary entities, to meet its legal, regulatory or contractual obligations, resulting in the risk of loss or the imposition of penalties, damages or fines**

demonstrate how compliance obligations are met, whilst compliance analytics and high-quality data driven insights are becoming increasingly important.

The direction of regulatory travel demands continued investment in the capacity, competence, and capability of resourcing across all business areas, having regard to the extent of risk interdependencies and the embedding of personal accountability regimes. The impacts associated with crystallisation of a significant compliance failing, including financial penalties, public disclosures, restrictions on activities and other forms of intervention, have been escalated by sea-changes in political landscapes and shifting supervisory attitudes to regulatory effectiveness.

The interpretation or application of regulation over time may impact market accessibility, broker relationships and / or competitive viability. If the Group fails to monitor the regulatory environment or adequately integrate the management of associated obligations within strategic, business model or business planning processes there may be material risk to the achievement of strategic objectives both in the short and longer term.

**How we manage the risk:**

- Robust strategic planning processes informed by analytical review of the external environment and consideration of associated risk in the short and longer term.
- Continuous monitoring and review of developments in international law and regulation and proactive management of how such developments might shape jurisdictional specific reaction.
- Active and transparent engagement with regulatory authorities and industry bodies on a multi-jurisdictional basis, including active engagement in and responding to regulatory consultation exercises.
- Maintenance of robust governance, risk management and internal control arrangements to ensure that legal and regulatory obligations are substantively met on a continuing basis.
- Active engagement with professional advisors to address specific risks and issues that arise.

**Fraud and Financial Crime Risk:**

**Geo-economic uncertainties and cost of living pressures have the capacity to provoke an increase in the source and form of fraud and financial crime risks. These have combined with geopolitical instabilities and the mobilisation of unprecedented levels of sanctions against Russia in the context of the Russia-Ukraine conflict**

Regulators are taking - and expecting from firms - an increasingly holistic approach to mitigating heightened financial crime risks. Fraud and scam activities continue to target weaknesses in internal control environments - contingent with greater reliance upon remote working arrangements. Emerging risk research further indicates the bulk of the largest operational risk losses across financial services companies continues to emanate from mega frauds, indicative of macro-economic pressures and their propensity to drive episodes of internal fraud. These challenges and increased pressures on profitability are also seen as increasing the risk of poor-quality business being written and potentially diminishing the attention paid to due diligence procedures and processes. Regulators retain substantial leeway to take enforcement action 'in hindsight' and financial crime systems and controls are one of the most significant areas of enforcement risk as supervisory authorities seek to demonstrate the effectiveness of the regulatory environment.

**How we manage the risk:**

- Rigorous anti-money laundering, counter-terrorist financing and anti-bribery and corruption measures.
- Rapid, scalable, and effective sanctions screening mechanisms to ensure robust, effective and compliant understanding of the landscape on a continuing basis.
- Implementation of controls to identify and mitigate any emerging risks associated with the exploitation of economic stimulus schemes, prolonged dependencies upon remote working or other measures to counteract the impacts of the pandemic.
- Continuous review of measures to support activity in the context of divergent economic recoveries from the pandemic, including those measures relied upon by key business partners.

**Culture and Conduct Risk: Arising from any failure of governance, risk management and internal control arrangements, via corporate or individual actions**

Organisational culture remains under scrutiny by the Board on the basis that it is recognised as a fundamental driver of corporate success, prudential soundness, and compliant conduct. Any failure to adequately assess, monitor, manage and mitigate risks to the delivery of fair customer outcomes, or to market integrity, can be expected to result in material detriment to the achievement of strategic objectives and could incur regulatory censure, financial penalty, contract holder litigation and / or material reputational damage. Clear and heightened regulatory expectations of individual and corporate accountability continue to connect governance, risk and compliance obligations directly to cultural imperatives and the responsibilities assigned to individual Senior Managers.

**How we manage the risk:**

- Programme level initiatives to address and support cultural change and development have remained in active progress during the reporting period with the results of investment in culture diagnostics informing strategic decision-making and tactical solutions to drive cultural change, where needed.
- Iterative enhancements to the Group's ERM framework continue to drive and deliver the integration of conduct risk management at both a cultural and practical level.
- Business activities designed to manage the volume and velocity of regulatory change include a core focus on ensuring compliance with conduct risk obligations, managing conflicts of interest, preventing market abuse, and

building robust governance arrangements around new product development and product suitability processes.

- Forward looking risk indicators and executive leadership in respect of understanding and addressing the drivers of conduct risk focus on all core areas with assessment at strategic, functional, and operational levels.
- The Group maintains regular dialogue with its regulatory authorities and with its external advisors in relation to developments in the regulatory environments in which we operate.

**Operational Resilience Risk:  
Arising from any exposure to  
risk events with the capacity to  
cause operational failures or  
wide scale disruptions in  
financial markets**

The ability to maintain critical services or operations during periods of disruption is receiving increasing levels of regulatory scrutiny with concurrent growth in the formalisation of regulatory expectation. 'Resilience Principles' build on the real-world tests presented by the Covid-19 pandemic and the near-term threat of disruption of key global infrastructure in the context of the ongoing Russia-Ukraine conflict. Resilience risk and associated regulatory expectations directly extend to threats originating via third parties, including external providers, supply chains networks and outsourcing architectures intended to leverage economies of scale, gain access to specialist expertise, or deliver advanced technologies supporting innovative services.

Global supervisory attention is focussed on regulating for resilience by ensuring that strategies such as grounding resilience analyses in key delivery requirements, appreciating the potential for systemic vulnerabilities and embracing a diversity of approaches combine to strengthen the ability of financial services firms to withstand operational risk related events.

**How we manage the risk:**

- ERM conventions guide the identification and assessment of events or scenarios presenting risk to operational resilience - typically pandemics, cyber incidents, technology failures or natural disasters - as well as supply chain disruption impacts to critical processes, business continuity and good governance.
- Impact tolerances, together with mapping and testing allow the identification of services which could cause harm, if disrupted and identify any areas of vulnerability.
- Stress testing, continuity planning and recovery and resolution strategies provide for continuous review of the adequacy and effectiveness with which the business can respond to and recover from disruptions.

**Cyber and Information Security  
Risk:  
Arising from the increased  
digitalisation of business  
activities and growing  
dependence upon technology  
in the context of exposure to  
elevated and more pernicious  
forms of digital and cyber risk**

The nature and complexity of cyber threats and cyber risk are recognised by the Board as presenting the single most significant risk to financial services firms. The mounting sophistication and persistence of cybercrime and the growing adoption of highly advanced, nation-state type tools by cyber criminals, underscore the challenges in understanding and anticipating the nature of cyber threats and cyber risks.

The pandemic served to accelerate the efforts of organised crime to exploit weaknesses in cyber defences and explicitly target remote working vulnerabilities, whilst new technological capabilities and use of third-party platforms add to the complexity of understanding the complete reach of cyber and information security exposures. More recently geopolitical tensions at a global level and the escalation of the Russia-Ukraine conflict are considered to have triggered unprecedented cyber risks for Western governments and corporations.

Building resilience to continuously evolving cyber risk is a priority for all stakeholders. Growing levels of regulatory scrutiny, focussed on three core areas - cyber risk identification, cyber risk governance and cyber risk resilience - is clearly foreseeable. Increased pressure for regulated entities to evidence and demonstrate how they are addressing emerging regulatory concerns and the timeliness of their actions can also be expected.

In the event of any material failure in our core business systems, or business processes, or if the Group fails to take adequate and appropriate measures to protect its systems and data from the inherent risk of attack, disruption and/or unauthorised access by internal or external parties, this could result in confidential data being exposed and/or systems interruption. A significant cybercrime event could result in reputational damage, regulatory censure, and financial loss.

**How we manage the risk:**

- Continuous focus on the maintenance of a robust, secure, and resilient IT environment that protects customer and corporate data as a core element of our operational resilience mapping.
- Control techniques deployed to evaluate the security of systems and proactively address emerging threats both internally within the organisation and externally, through regular engagement with internet and technology providers and through industry forums.
- Maintenance of detailed and robust Business Continuity and Disaster Recovery Plans, including full data replication at an independent recovery centre, which can be invoked when required.
- Frequent and robust testing of business continuity and disaster recovery arrangements.
- Periodic independent third-party systems penetration testing and review of controls.
- Horizon scanning to identify and assess supervisory initiatives advocating and promoting good practice in cyber resilience and associated industry

developments.

**Environmental, Social and Governance (ESG) Risk:  
Arising from a failure to anticipate and respond to emerging sustainability risks or successfully integrate ESG considerations and policy positions into strategy and business planning**

Climate change is recognised by the Board as presenting a potential source of high-impact, high-probability risk, requiring a strategic response which is value-driven in terms of improving resilience and demonstrating to clients, investors, regulators, and wider stakeholder groups that the risks and opportunities of climate change are understood. The Board has identified that climate risk factors affecting the Group can be grouped into two main categories of risk exposure:

- Physical risks: arising from increased damage and losses from physical phenomena associated both with climate trends - typically changing weather patterns and sea level rises - and physical events, including natural disasters and extreme weather events; and
- Transition risks: arising from disruptions and shifts associated with the transition to a low-carbon economy, which may affect the value of assets or the costs of doing business. Transition risks may be motivated by changes in policyholder, or other stakeholder expectations, market dynamics, technological innovation, or reputational factors. Key examples of transition risks include policy changes and regulatory reforms which affect carbon-intensive sectors. Policy and regulatory measures may also affect specific classes of financial assets relevant for investments available through an insurer's platform, whilst social movements and civil society activism - such as that aiming to motivate divestment from and cessation of underwriting to the fossil fuel sector - may pose a risk of reputational damage to firms, if appropriate risk mitigation strategies (and communication actions) are not implemented appropriately.

**How we manage the risk:**

- Development of adaptation plans, which embrace forward-looking analysis and support strategic decision-making, with consideration of relevant business planning, operations, underwriting and investment activities to contribute to a sustainable transition to net-zero targets and provide effective mitigation of climate change related risks,
- Climate and other ESG risks could cause macroeconomic stresses in future, including impacts to markets, interest rates, inflation and exchange rates. The business manages its exposure to these macro-economic risks as described in the market risk section above.
- Actively building sustainability considerations into strategy development and business planning processes through structured analysis, formal assessment mechanisms and cross-functional collaboration.
- Factoring emerging sustainability risk issues into key decision-making and understanding the impacts for the tools and methodologies currently used to manage risk, including governance structures, risk ownership, risk and control self-assessment principles, regulatory developments, third party service provisions and effective reporting.
- Developing and updating relevant components in relation to the sustainability risk domain, including policies, procedures, risk indicators, management data and stress testing.
- 'In flight' initiatives addressing cultural alignment and structural resilience encompass core ESG considerations.

**Employee Engagement and Talent Risk:  
Arising from any failure to drive and support the right corporate culture and attract, develop, engage and retain key personnel**

'Talent risk' is growing in prominence on the operational risk agenda at industry level with the emergence of unprecedented challenges linked to attracting and retaining employees across all financial services sectors. The most material concern attaches to the shortfall in skilled employees to fill open vacancies, with a real danger that a skills shortage leads to weak oversight of business operations, particularly in critical functions/personnel, with the capacity to result in regulatory breaches through direct compliance failings, or as the result of poor governance protocols in terms of business structuring, capacity, and competence.

Simultaneously, delivery of the Group's strategy has core dependencies on attracting and retaining experienced and high-performing management and employees and building a strong and sustainable culture, driven by our purpose, our leadership, our performance management regime and our governance principles and objectives. The knowledge, skills, attitudes and behaviours of our employees, and the success with which these attributes shape and define our culture, are central to our success.

**How we manage the risk:**

- Significant investment in initiatives to address and support cultural change and development, shape strategy and inform tactical solutions.
- Continuation of our 'Culture Programme' with clearly defined areas of focus under three core pillars, those being:
  - High Performance Culture
  - Learning Culture
  - Environment & Wellbeing

These remain in active progress led by the Executive Management Team with oversight by the Board.

Further details around financial risks are outlined in note 4 (Financial Risk Management) to the condensed consolidated financial statements.

## Statement of Directors' responsibilities

The Directors, whose names are reflected on the Company's website, [www.hansard.com](http://www.hansard.com), confirm that, to the best of their knowledge, this condensed set of consolidated interim financial statements has been prepared in accordance with IAS 34 as adopted by the United Kingdom and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation on the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### By order of the Board

**Philip Kay**  
Non-executive Chairman

**Graham Sheward**  
Chief Executive Officer

6 March 2024

## Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended		Year ended
		31 December 2023	31 December 2022	30 June 2023
		£m	£m	£m
Fees and commissions	6	23.9	22.9	45.7
Investment and other operating income		44.3	23.3	44.5
Other operating income		0.6	0.7	1.5
		<b>68.8</b>	46.9	91.7
Change in provisions for investment contract liabilities		(41.7)	(21.6)	(40.6)
Origination costs		(8.3)	(8.1)	(16.2)
Administrative and other expenses	7	(14.7)	(14.1)	(29.0)
		<b>(64.7)</b>	(43.8)	(85.8)
<b>Profit on ordinary activities before taxation</b>		<b>4.1</b>	3.1	5.9
Taxation on profit on ordinary activities	8	(0.1)	(0.1)	(0.2)
<b>Profit and total comprehensive income for the period after taxation</b>		<b>4.0</b>	3.0	5.7

## Earnings Per Share

	Note	Six months ended		Year ended
		31 December 2023 (p)	31 December 2022 (p)	30 June 2023 (p)
Basic	9	2.9	2.2	4.1
Diluted	9	2.9	2.2	4.1

The notes on pages 30 to 49 form an integral part of these condensed financial statements.

## Condensed Consolidated Statement of Changes in Equity

	Note	Share Capital £m	Other reserves £m	Retained earnings £m	Total £m
Shareholders' equity at 1 July 2022		68.8	(48.3)	1.7	22.2
Profit and total comprehensive income for the period after taxation		-	-	3.0	3.0
<b>Transactions with owners</b>					
Dividends	10	-	-	(3.5)	(3.5)
Reserve for own shares within EBT		-	(0.2)	-	(0.2)
<b>Shareholders' equity at 31 December 2022</b>		<b>68.8</b>	<b>(48.5)</b>	<b>1.2</b>	<b>21.5</b>

	Note	Share Capital £m	Other reserves £m	Retained earnings £m	Total £m
Shareholders' equity at 1 July 2023		68.8	(48.5)	1.5	21.8
Profit and total comprehensive income for the period after taxation		-	-	4.0	4.0
<b>Transactions with owners</b>					
Dividends	10	-	-	(3.6)	(3.6)
Reserve for own shares within EBT		-	(0.2)	-	(0.2)
<b>Shareholders' equity at 31 December 2023</b>		<b>68.8</b>	<b>(48.7)</b>	<b>1.9</b>	<b>22.0</b>

The notes on pages 30 to 49 form an integral part of these condensed financial statements.

## Condensed Consolidated Balance Sheet

	Notes	31 December 2023 £m	31 December 2022 £m	30 June 2023 £m
<b>Assets</b>				
Intangible assets	11	22.3	16.6	19.9
Property, plant and equipment	11	2.6	2.5	2.8
Deferred origination costs	12	114.5	120.2	117.8
<b>Financial investments</b>				
Measured at fair value:				
Equity securities		58.5	50.0	52.0
Collective investment schemes		923.6	909.5	915.5
Fixed income securities		66.9	50.5	63.3
		<b>1,049.0</b>	1,010.0	1,030.8
Measured at amortised cost:				
Deposits and money market funds		84.5	104.1	90.2
Other receivables		5.0	5.4	4.9
Cash and cash equivalents		45.8	57.0	52.2
<b>Total assets</b>		<b>1,323.7</b>	1,315.8	1,318.6
<b>Liabilities</b>				
Financial liabilities under investment contracts	13	1,106.0	1,099.0	1,101.5
Deferred income	14	142.2	145.7	144.8
Amounts due to investment contract holders		39.2	37.0	36.6
Other payables	15	14.2	12.6	13.9
Provisions	16	0.1		
<b>Total liabilities</b>		<b>1,301.7</b>	1,294.3	1,296.8
<b>Net assets</b>		<b>22.0</b>	21.5	21.8
<b>Shareholders' equity</b>				
Called up share capital	17	68.8	68.8	68.8
Other reserves	18	(48.7)	(48.5)	(48.5)
Retained earnings		1.9	1.2	1.5
<b>Total shareholders' equity</b>		<b>22.0</b>	21.5	21.8

The notes on pages 30 to 49 form an integral part of these condensed financial statements.

The condensed financial statements on pages 27 to 49 were approved by the Board on 6 March 2024 and signed on its behalf by:

**Graham Sheward**  
Director

**Thomas Morfett**  
Director

## Condensed Consolidated Cash Flow Statement

	Six months ended		Year ended
	31 December	31 December	30 June
	2023	2022	2023
	£m	£m	£m
<b>Cash flow from operating activities</b>			
Profit before tax for the period	4.1	3.1	5.9
<b>Adjustments for:</b>			
Depreciation	0.2	0.3	1.1
Dividends receivable	(2.6)	(2.2)	(4.7)
Dividends received	2.6	2.2	4.7
Interest receivable	(2.2)	(0.9)	(3.0)
Interest received	2.2	0.9	3.0
Foreign exchange (gains)/losses	(0.1)	(0.4)	1.0
<b>Changes in operating assets and liabilities</b>			
(Increase) in debtors	(0.1)	(1.2)	(0.6)
Decrease in deferred origination costs	3.4	2.3	4.7
(Decrease)/increase in deferred income	(2.6)	0.5	(0.4)
Increase/(decrease) in creditors	3.1	(1.6)	(1.7)
(Increase) in financial investments	(12.5)	(4.7)	(11.7)
Increase in financial liabilities	4.4	6.6	9.1
<b>Cash flow from operations</b>	<b>(0.1)</b>	4.9	7.4
Corporation tax paid	-	(0.1)	(0.4)
<b>Net cash from operations after taxation</b>	<b>(0.1)</b>	4.8	7.0
<b>Cash flows from investing activities</b>			
Investment in intangible assets and property, plant & equipment	(2.4)	(3.2)	(6.6)
Proceeds from sale of investments	-	0.1	-
Purchase of investments	-	-	0.4
Purchase of own shares	(0.3)	(0.2)	(0.1)
<b>Cash flows used in investing activities</b>	<b>(2.7)</b>	(3.3)	(6.3)
<b>Cash flows from financing activities</b>			
Dividends paid	(3.6)	(3.5)	(5.9)
Principal elements of lease liabilities	(0.1)	(0.3)	(0.4)
<b>Cash flows used in financing activities</b>	<b>(3.7)</b>	(3.8)	(6.3)
<b>Net (decrease) in cash and cash equivalents</b>	<b>(6.5)</b>	(2.3)	(5.6)
Cash and cash equivalents at beginning of period	52.2	58.9	58.9
Effect of exchange rate changes	0.1	0.4	(1.1)
<b>Cash and cash equivalents at end of period</b>	<b>45.8</b>	57.0	52.2

The notes on pages 30 to 49 form an integral part of these condensed financial statements.

## Notes to the Condensed Consolidated Financial Statements

### 1 General information

Hansard Global plc ("the Company") is a limited liability company, incorporated in the Isle of Man under the Isle of Man Companies Act 1931 - 2004, whose shares are publicly traded. The principal activity of the Company is to act as the holding company of the Hansard Group ("the Group") of companies. The activities of the principal operating wholly owned subsidiaries include the transaction of life assurance business and

related activities. Hansard Europe was closed to new business with effect from 30 June 2013. The principal subsidiaries of the company are as follows:

<b>Company name</b>	<b>Incorporated</b>	<b>Activity</b>
Hansard International Limited	Isle of Man	Life Assurance
Hansard Worldwide Limited	The Bahamas	Life Assurance
Hansard Europe Designated Activity Company	Ireland	Life Assurance
Hansard Administration Services Limited	Isle of Man	Administration Services
Hansard Development Services Limited	Isle of Man	Marketing and Development Services

The registered office of the Company is 55 Athol Street, Douglas, Isle of Man, IM99 1QL.

The Company has its primary listing on the London Stock Exchange.

These condensed consolidated interim financial statements are unaudited and do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards and the Isle of Man Companies Acts 1931 - 2004. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. The condensed consolidated interim financial statements were approved by the Board of Directors on 6 March 2024.

The Board of Directors approved the Group's statutory financial statements for the year ended 30 June 2023 on 27 September 2023. The report of the independent auditor on those financial statements was unmodified and did not contain an emphasis of matter paragraph.

## **2 Basis of presentation**

These condensed consolidated interim financial statements for the half-year ended 31 December 2023 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority ("DTR") and with IAS 34 "Interim Financial Reporting" as adopted by the United Kingdom ("UK"). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2023, which were prepared in accordance with International Financial Reporting Standards as adopted by the UK.

The Group underwrites a small amount of insurance business. Management has undertaken an assessment of the impact of accounting for this business as investment business rather than insurance business and concluded that this would not have a material impact on the financial statements. This assessment has been refreshed to consider the impact of IFRS 17, and management have not changed their conclusion that accounting for the business as investment business would not have a material impact on the financial statements. Management will keep this assessment under review and should the outcome change in future the Group accounting treatment will be reassessed. Consequently, the Group's products are designated as investment rather than insurance contracts under IFRS 17 'Insurance Contracts as they do not transfer significant insurance risk'.

The condensed consolidated interim financial statements have been prepared under the historical cost convention as modified by the revaluation of financial investments and financial liabilities at fair value through profit or loss.

Except where otherwise stated, all figures included in the condensed consolidated interim financial statements are stated in pounds sterling, which is also the functional currency of the Company, rounded to the nearest hundred thousand pounds.

The following new standards, amendments and interpretations are in issue but not yet effective for these financial statements and have not been early adopted by the Group. The following amended standards are



not expected to have a material impact on the Group's reported results:

- Non-current liabilities with covenants (Amendments to IAS 1) - effective from 1 January 2024
- Lease liability in a Sale and Leaseback (amendments to IFRS 16) - effective from 1 January 2024

There are no other standards, amendments or interpretations to existing standards that are not yet effective, that would have a material impact on the Group's reported results.

### **Going Concern**

As shown within the Business and Financial Review, the Group's capital position is strong and well in excess of regulatory requirements. The long-term nature of the Group's business results in considerable recurring cash inflows arising from existing business. The Directors believe that the Group is well placed to manage its business risks successfully.

The Directors are satisfied that the Company and the Group have adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the condensed consolidated financial statements on that basis.

In making this statement, the Directors have reviewed financial forecasts that include plausible downside scenarios as a result of geo-political factors and resultant impacts on the global economy. These show the Group continuing to generate profit over the next 12 months and that the Group has sufficient cash reserves to enable it to meet its obligations as they fall due.

The Directors expect the acquisition of new business will continue to be challenging throughout the remainder of the financial year. The impact of this however is not immediate to the Group's profit and cash flows and therefore allows for longer term adjustments to operations and the cost base. Long periods of lower new business or indeed lower AuA would be addressed by reducing the cost base and where necessary, the dividend paid.

The following factors are considered as supportive to the Group's resilience to business and external environment challenges:

- The Group's business model focuses on long term savings products, a majority of which are regular premium paying products which continue to receive cash inflows regardless of the amount of new business sold.
- The Group earns approximately a third of its revenues from asset-based income which is not immediately dependent on sourcing new business. Initial fees in respect of new business are broadly offset by initial commissions, limiting the impact of any reduction in new business.
- New business channels are geographically dispersed and therefore less exposed to specific regional challenges.
- The largest expense associated with new business is commission expenditure which reduces directly in line with reduced sales.
- The Group has and continues to the date of this report to have, a strong capital position with significant levels of liquidity and cash (as outlined in the Business and Financial Review).
- The business has demonstrated operational resilience in being able to operate remotely from its offices where required without any material impact to processing and servicing levels. Its control environment continued to operate effectively during this time.
- The Group places the majority its shareholder assets into conservative, highly-liquid, highly rated bank deposits and money market funds. These are typically not subject to price fluctuation and

protect the Group's assets against potential market volatility.

- The Group has no borrowings.

### **3 Principal accounting policies**

As required by the Disclosure and Transparency Rules of the Financial Conduct Authority and IAS 34, this condensed set of consolidated financial statements has been prepared applying the accounting policies and standards that were applied, and the critical accounting estimates and judgements in applying them, in the preparation of the Group's published consolidated financial statements for the year ended 30 June 2023. The published consolidated financial statements for the year ended 30 June 2023 can be accessed on the Company's website: [www.hansard.com](http://www.hansard.com).

### **4 Financial risk management**

#### **Risk management objectives and risk policies**

The Group's objective in the management of financial risk is to minimise, where practicable, its exposure to such risk, except when necessary to support other objectives. The Group seeks to manage risk through the operation of unit-linked business whereby the contract holder bears the financial risk. In addition, shareholder assets are invested in highly rated investments.

Overall responsibility for the management of the Group's exposure to risk is vested in the Board. To support it in this role, an Enterprise Risk Management ("ERM") framework is in place comprising risk identification, risk assessment, control and reporting processes. Information concerning the operation of the ERM framework to manage financial and other risks is contained within the Report and Accounts for the year ended 30 June 2023, and particularly in note 3 thereto, "Financial Risk Management".

The main significant financial risks to which the Group is exposed are set out below. For each category of risk, the Group determines its risk appetite and sets its investment, treasury, and associated policies accordingly.

#### **4.1 Market risk**

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, analysed between price, interest rate and currency risk. The Group adopts a risk averse approach to market risk, with a stated policy of not actively pursuing or accepting market risk except where necessary to support other objectives. However, the Group accepts the risk that the fall in equity or other asset values, whether as a result of price falls or strengthening of sterling against the currencies in which contract holder assets are denominated, will reduce the level of annual management charge income derived from such contract holder assets and the risk of lower future profits.

#### **Sensitivity analysis to market risk**

The Group's business is unit-linked and the direct associated market risk is therefore borne by contract holders (although there is a secondary impact as shareholder income is dependent upon the fair value of contract holder assets). Other financial assets and liabilities held outside of contract holder unitised funds primarily consist of units in money market funds, cash and cash equivalents, and other assets and liabilities. Cash held in unitised money market funds and at bank is valued at par and is unaffected by movements in interest rates. Other assets and liabilities are similarly unaffected by market movements.

As a result of these combined factors, the Group's financial assets and liabilities held outside unitised funds are not materially subject to market risk, and movements at the reporting date in interest rates and equity values have an immaterial impact on the Group's profit after tax and equity. Future revenues from annual management charges may be affected by movements in interest rates, foreign currencies and equity values. The Group does not control the asset selection strategy as assets are chosen by the contract holders.

#### **(a) Price risk**

Unit linked funds are exposed to securities price risk as the investments held are subject to prices in the future which are uncertain. The fair value of financial assets (designated at fair value through profit or loss)

exposed to price risk as at 31 December 2023 was £1,049.0 (31 December 2022: £1,010.0m). In the event that investment income is affected by price risk then there will be an equal and opposite impact on the value of the changes in provisions for investment contract liabilities in the same accounting period. The impact on the profit or loss before taxation in a given financial year is negligible.

An overall change in the market value of the unit-linked funds would affect the annual management charges accruing to the Group since these charges, which are typically 1% per annum, are based on the market value of contract holder assets under administration. The approximate annual impact on the Group's profits and equity of a 10% change in fund values, either as a result of price, interest rate or currency fluctuations, is £1.5m (H1 2023: £1.7m).

#### **(b) Interest rate risk**

Interest rate risk is the risk that the Group is exposed to lower returns or loss as a direct or indirect result of fluctuations in the value of, or income from, specific assets arising from changes in underlying interest rates.

The Group is primarily exposed to interest rate risk on the balances that it holds with credit institutions and in money market funds.

Taking into account the proportion of Group funds held on longer-term, fixed-rate deposits, a change of 1% p.a. in interest rates will result in an increase or decrease of approximately £0.6m (H1 2023: £0.7m) in the Group's annual investment income and equity.

A summary of the Group's liquid assets at the balance sheet date is set out in note 4.2.

#### **(c) Currency risk**

Currency risk is the risk that the Group is exposed to higher or lower returns as a direct or indirect result of fluctuations in the value of, or income from, specific assets and liabilities arising from changes in underlying exchange rates.

##### **(c) (i) Group foreign currency exposures**

The Group is exposed to currency risk on the foreign currency denominated bank balances, contract fees receivable and other liquid assets that it holds to the extent that they do not match liabilities in those currencies. The impact of currency risk is minimised by frequent repatriation of excess foreign currency funds to sterling. The Group does not hedge foreign currency cash flows as a matter of course but may take advantage of historically strong or weak sterling exchange rates to do so where appropriate.

At the balance sheet date, the Group had exposures in the following currencies:

	31 December					
	2023 US\$m	2023 €m	2023 ¥m	2022 US\$m	2022 €m	2022 ¥m
Gross assets	20.8	13.2	286.9	16.8	11.3	291.9
Matching currency liabilities	(21.1)	(11.9)	(386.2)	(19.5)	(10.9)	(206.3)
Uncovered currency exposures	(0.3)	1.3	(99.3)	(2.7)	0.4	85.6
Sterling equivalent of exposures (£m)	(0.2)	1.2	(0.6)	(2.2)	0.3	0.5

The approximate effect of a 5% change in the value of US dollars to sterling is less than £0.1m (H1 2023: £0.1m); in the value of the euro to sterling is £0.1m (H1 2023: £0.1m); and in the value of the yen to sterling is less than £0.1m (H1 2023: less than £0.1m).

##### **(c) (ii) Financial investments by currency**

Certain fees and commissions are earned in currencies other than sterling, based on the value of financial investments held in those currencies from time to time. The sensitivity of the Group to the currency risk

inherent in investments held to cover financial liabilities under investment contracts is incorporated within the analysis set out in (a) above.

At the balance sheet date, the analysis of financial investments by currency denomination is as follows; US dollars: 71% (31 December 2022: 71%); sterling: 19% (31 December 2022: 20%); euro: 8% (31 December 2022: 8%); other: 2% (31 December 2022: 1%).

#### 4.2 Credit risk

Credit risk is the risk that the Group is exposed to lower returns or loss if another party fails to perform its financial obligations to the Group. The Group has adopted a risk averse approach to such risk and has a stated policy of not actively pursuing or accepting credit risk except when necessary to support other objectives.

The clearing and custody operations for the Group's security transactions are mainly concentrated with one broker, namely Capital International Limited, a member of the London Stock Exchange. At the balance sheet date, substantially all contract holder cash and cash equivalents, balances due from broker and financial investments are placed in custody with Capital International Limited. These operations are detailed in a formal contract that incorporates notice periods and a full exit management plan. Delivery of services under the contract is monitored by a dedicated relationship manager against a documented Service Level Agreement and Key Performance Indicators.

The Group has an exposure to credit risk in relation to its deposits with credit institutions and its investments in unitised money market funds. To manage these risks; deposits are made, in accordance with established policy, with credit institutions having a short-term rating of at least F1 or P1 from Fitch IBCA and Moody's respectively and a long-term rating of at least A or A3 respectively. Investments in unitised money market funds are made only where such fund is AAA rated. Additionally maximum counterparty exposure limits are set both at an individual subsidiary company level and on a Group-wide basis.

These assets are considered to have a high degree of credit worthiness and no assets of a lower credit worthiness are held. The following table sets out information about the credit quality of the Group's deposits with credit institutions and its investments in unitised money market funds.

	<b>31 December</b>	<b>30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<hr/>			
Deposits with credit institutions and investments in unitised money market funds			
<i>(Based on Standards &amp; Poor's ratings)</i>			
AAA	<b>24.2</b>	23.2	26.3
AA- to AA+	<b>3.7</b>	5.0	6.0
A- to A+	<b>17.9</b>	11.3	10.8
BBB to BBB-	-	2.5	-
<hr/>			
Total deposits	<b>45.8</b>	42.0	43.1
AA- to AA+	<b>0.3</b>	-	0.3
A- To A+	<b>20.4</b>	28.0	22.0
BBB to BBB-	-	0.7	-
<hr/>			
Cash at bank	<b>20.7</b>	28.7	22.3
<hr/>			
<b>Group cash and deposits</b>	<b>66.5</b>	70.7	65.4
<hr/>			

Financial assets held at amortised cost are impaired using an expected credit loss model. The model splits financial assets into those which are performing, underperforming and non-performing based on changes in credit quality since initial recognition. At initial recognition financial assets are considered to be performing. They become underperforming where there has been a significant increase in credit risk since initial recognition, and non-performing when there is objective evidence of impairment. Twelve months of expected credit losses are recognised in the statement of comprehensive income and netted against the financial asset in the statement of financial position for all performing financial assets, with lifetime expected credit losses recognised for underperforming and non-performing financial assets.

Trade receivables are designated as having no significant financing component. The Group applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables by using a lifetime expected loss allowance.

Expected credit losses are based on the historic levels of loss experienced for the relevant financial assets, with due consideration given to forward looking information. The group expected credit loss charged in the period is less than £0.1m (H1 2023: less than £0.1m).

There have been no changes in the assets in the period ended 31 December 2023 attributable to changes in credit risk (31 December 2022: nil).

At the balance sheet date, an analysis of the Group's shareholder cash balances was as follows:

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Longer term deposits with credit institutions	<b>20.7</b>	13.7	13.2
Cash and cash equivalents under IFRS	<b>45.8</b>	57.0	52.2
	<b>66.5</b>	70.7	65.4

#### **4.3 Liquidity risk**

Liquidity risk is the risk that the Group, though solvent, does not have sufficient financial resources to enable it to meet its obligations as they fall due, or can only secure them at excessive cost.

The Group's objective is to ensure that it has sufficient liquidity over short (up to one year) and medium-term time horizons to meet the needs of the business. This includes liquidity to cover, amongst other things, new business costs, planned strategic activities, servicing of equity capital as well as working capital to fund day-to-day cash flow requirements.

Liquidity risk is principally managed in the following ways:

- Assets of a suitable marketability are held to meet contract holder liabilities as they fall due.
- Forecasts are prepared regularly to predict required liquidity levels over both the short and medium term.

The Group's exposure to liquidity risk is considered to be low since it maintains a high level of liquid assets to meet its liabilities.

#### 4.4 Insurance risk

Insurance risk is the risk of loss arising from actual experience being different than that assumed when an insurance product was designed and priced. For the Group, the key insurance risks are lapse risk, expense risk and mortality risk. However, the size of insurance risk is not deemed to be materially significant. From an accounting perspective all contracts have been classified as investment contracts.

##### 4.4.1 Lapse risk

A key risk for investment contracts is policyholder behaviour risk - in particular the risk that contracts are surrendered, or significant cash withdrawals are made before sufficient fees have been collected to cover up-front commissions paid by the Group. The risk is mitigated by charging penalties on the early surrender of contracts.

#### 4.5 Fair value of financial assets and liabilities

The Group closely monitors the valuation of assets in markets that have become less liquid. Determining whether a market is active requires the exercise of judgement and is determined based upon the facts and circumstances of the market for the instrument being measured. Where the Directors determine that there is no active market for a particular financial instrument, for example where a particular collective investment scheme is suspended from trading, fair value is assessed using valuation techniques based on available, relevant information and an appraisal of all associated risks. When a collective investment scheme recommences regular trading, the value would be transferred back to Level 1. This process requires the exercise of significant judgement on the part of the Directors.

Due to the linked nature of the contracts administered by the Group's undertakings, any change in the value of financial assets held to cover financial liabilities under those contracts will result in an equal and opposite change in the value of contract liabilities. The separate effect on financial assets and financial liabilities is included in investment income and investment contract benefits, respectively, in the condensed consolidated statement of comprehensive income.

IFRS 13 requires the Group to classify fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring that fair value. The hierarchy is as follows:

- Level 1: fair value is determined using quoted prices (unadjusted) in active markets for identical assets.
- Level 2: fair value is determined using inputs other than quoted prices included within Level 1 that are observable for the asset either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: fair value is determined using inputs for the asset that are not based on observable market data (unobservable inputs).

The following tables analyse the Group's financial assets and liabilities at fair value through profit or loss, at 31 December 2023:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	58.5	-	-	58.5
Collective investment schemes	911.0	8.8	3.8	923.6
Fixed income securities, bonds and structured notes	1.6	7.9	57.4	66.9
<b>Total financial assets at fair value through</b>	<b>971.1</b>	<b>16.7</b>	<b>61.2</b>	<b>1,049.0</b>

## profit and loss

All other financial assets and liabilities are designated as held at amortised cost which approximates to fair value.

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Deposits and money market funds	84.6			84.6
Total financial assets at fair value through profit or loss	1,055.7	16.7	61.2	1,133.6
<b>Financial liabilities at fair value through profit or loss</b>	-	1,106.0	-	1,106.0

Financial liabilities at fair value through profit or loss are classified as level 2 on the basis that they relate to policies investing in financial assets at fair value through profit or loss.

The following tables analyse the Group's financial assets and liabilities at fair value through profit or loss, at 30 June 2023:

Financial assets at fair value through profit or loss	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Equity securities	52.0	-	-	52.0
Collective investment schemes	899.3	10.9	5.3	915.5
Fixed income securities, bonds and structured notes	1.2	10.0	52.1	63.3
<b>Total financial assets at fair value through profit and loss</b>	952.5	20.9	57.4	1,030.8

All other financial assets and liabilities are designated as held at amortised cost which approximates to fair value.

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Deposit and money market funds	90.2	-	-	90.2
Total financial assets at fair value through profit or loss	1042.7	20.9	57.4	1,121.0
<b>Financial liabilities at fair value through profit or loss</b>	-	1,101.5	-	1,101.5

## Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable input	Sensitivity to changes in
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			<b>unobservable inputs</b>
Suspended assets £3.8m (30 June 2023: £5.3m)	Latest available information including or such as net asset values (NAV) or other communication received	Discount factor (5%) and NAV.	If the NAV was higher/lower, the fair value would be higher/lower.  If the discount factor was higher/lower, the fair value would be lower/higher.
Bonds and structured notes  Level 2: £7.9m (30 June 2023: £10.0m) Level 3: £57.4m (30 June 2023: £52.0m)	Market comparison/ discounted cash flow: The fair value is estimated considering:  (i) current or recent quoted prices for identical securities in markets that are not active; and  (ii) a net present value calculated using discount rates which are determined with reference to observable market transactions in instruments with substantially the same terms and characteristics including credit quality, the remaining term to repayments of the principal and the currency in which the payments are made.	Level 2: Not applicable Level 3: Underlying volatility.	Level 2: Not applicable Level 3: Significant increases/ decreases in this input in isolation would result in higher or lower fair value.

### **Level 3 sensitivity to changes in unobservable measurements**

For financial assets assessed as Level 3, based on its review of the prices used, the Company believes that any reasonable change to the unobservable inputs used to measure fair value would not result in a significantly higher or lower fair value measurement at year end, and therefore would not have a material impact on its reported results.

Significant unobservable inputs are developed as follows:

#### *Underlying Volatility*

In the absence of implied volatility until the maturity and moneyness of the instrument, the best estimate is the use of extrapolated implied volatility or historical volatility. The inputs used are derived against other independent valuation sources and the reasonableness of the assumptions is evaluated as part of the process.

A reconciliation between opening and closing balances of Level 3 assets is presented in the table below:

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Opening balance	<b>57.4</b>	50.6	50.6
Unrealised losses	<b>(5.6)</b>	(9.8)	(6.5)
Transfers into level 3	<b>0.1</b>	1.6	1.6
Transfers out of level 3	-	-	-
Purchases	<b>9.3</b>	8.0	11.7



Closing balance	<b>61.2</b>	50.4	57.4
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During the period under review, £0.1m of assets were transferred into Level 3, reflecting that the value of these assets were no longer based on observable market data or inputs. Separately there were no assets transferred out of Level 3 where they were again able to be valued based on observable market data or inputs. Unrealised losses include additional fair value impairments to a range of assets in liquidation which have resulted in £nil of bad debt provisions being made to fees and other receivables as shown in note 7.

Within Investment and other operating income, the Group has incurred losses of £5.6m attributable to Level 3 assets noted above. These assets are classed as financial investments held to cover liabilities under investment contracts (note 13).

## 5 Segmental information

Disclosure of operating segments in these condensed consolidated financial statements is consistent with reports provided to the Chief Operating Decision Maker ("CODM") which, in the case of the Group, has been identified as the Executive Committee of Hansard Global plc.

In the opinion of the CODM, the Group operates in a single reportable segment, that of the distribution and servicing of long-term investment products. New business development, distribution and associated activities in relation to the Republic of Ireland ceased with effect from 30 June 2013. All other activities of the Group are continuing.

The Group's Executive Committee uses two principal measures when appraising the performance of the business: net issued compensation credit ("NICC") (weighted where appropriate by product line) and expenses. NICC is a measure of the value of new in-force business and top-ups on existing single premium contracts. NICC is the total amount of basic initial commission payable to intermediaries for business sold in a period and is calculated on each piece of new business. It excludes override commission paid to intermediaries over and above the basic level of commission.

The following table analyses NICC geographically and reconciles NICC to direct origination costs during the period as set out in section 5 of the Business and Financial Review.

	Six months ended		Year
	31 December	2022	ended
	2023	2022	30 June
	£m	£m	2023
			£m
Middle East and Africa	<b>1.1</b>	1.3	2.7
Latin America	<b>0.9</b>	1.3	2.4
Rest of World	<b>0.4</b>	0.3	0.5
Far East	<b>0.1</b>	-	0.1
Net issued compensation credit	<b>2.5</b>	2.9	5.7
Other commission costs paid to third parties	<b>1.5</b>	1.7	3.4
Enhanced unit allocations	<b>0.4</b>	0.6	1.0

<b>Direct origination costs during the period</b>	<b>4.4</b>	5.2	10.1
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Revenues and expenses allocated to geographical locations contained in sections 5.1 to 5.4 below, reflect the revenues and expenses generated in or incurred by the legal entities in those locations.

### 5.1 Geographical analysis of fees and commissions by origin

	Six months ended		Year ended
	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Isle of Man	22.9	21.2	43.1
Republic of Ireland	0.7	1.1	2.1
The Bahamas *	0.3	0.6	0.5
	<b>23.9</b>	22.9	45.7

\* Hansard Worldwide, which is based in the Bahamas, fully reinsures its business to Hansard International. All external fees and commissions for Hansard Worldwide are therefore presented within the Isle of Man category. Fees shown in respect of Hansard Worldwide represent fees received from Hansard International.

### 5.2 Geographical analysis of profit/(loss) before taxation

	Six months ended		Year ended
	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Isle of Man	4.3	3.4	6.5
Republic of Ireland	(0.4)	(0.5)	(1.0)
The Bahamas	0.2	0.2	0.4
	<b>4.1</b>	3.1	5.9

### 5.3 Geographical analysis of gross assets

	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Isle of Man *	1,235.7	1,225.4	1,229.8
Republic of Ireland	85.7	88.7	87.0
The Bahamas	2.3	1.7	1.8
	<b>1,323.7</b>	1,315.8	1,318.6

\* Includes assets held in the Isle of Man in connection with policies written in The Bahamas. As at 31 December 2023 these amounted to £203.2m (31 December 2022: £148.8m).

### 5.4 Geographical analysis of gross liabilities

	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Isle of Man	1,024.1	1,068.3	1,043.8
Republic of Ireland	72.4	76.1	73.3
The Bahamas	205.3	149.9	179.7
	<b>1,301.8</b>	1,294.3	1,296.8

## 6 Fees and commissions

Fees are charged to the contract holders of investment contracts for contract administration services, investment management services, payment of benefits and other services related to the administration of investment contracts. Fees may be chargeable on either a fixed fee basis, a fee per transaction or as a percentage of assets under administration. Fees are recognised as revenue as the services are provided. Initial fees that exceed the level of recurring fees and relate to the future provision of services are deferred in the balance sheet and amortised on a straight-line basis over the life of the relevant contract. These fees are accounted for on the issue of a contract and on receipt of incremental premiums on existing single premium contracts.

Regular fees charged to contracts are recognised on a straight-line basis over the period in which the service is provided. Transactional fees are recorded when the required action is complete.

Commissions receivable arise principally from fund houses with which investments are held. Commissions are recognised on an accruals basis in accordance with the relevant agreement.

	Six months ended		Year
	31 December		ended
	2023	2022	30 June
	£m	£m	2023
			£m
Contract fee income	15.2	14.0	28.1
Fund management fees	6.3	6.6	12.9
Commission receivable	2.4	2.3	4.7
	23.9	22.9	45.7

## 7 Administrative and other expenses

Included in Administrative and other expenses are the following:

	Six months ended		Year ended
	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Auditors' remuneration			
- Fees payable to the Company's auditor for the audit of the Company's annual accounts	0.1	0.1	0.7
- Fees payable for the audit of the Company's subsidiaries pursuant to legislation	0.3	0.3	0.1
- Other services provided to the Group	-	-	-
Employee costs	5.5	5.0	10.3
Directors' fees	0.2	0.2	0.4
Fund management fees	2.5	2.7	5.3
Renewal and other commission	0.4	0.4	0.9
Professional and other fees	1.8	1.9	4.2
Litigation defence and settlement costs	0.7	0.6	1.5
Credit loss allowance	-	0.2	0.1
Licences and maintenance fees	1.9	1.1	2.4
Insurance costs	0.4	0.5	0.9
Depreciation of property, plant and equipment	0.2	0.3	1.1
Communications	0.1	0.1	0.2

## 8 Taxation

Taxation is based on profit and income for the period as determined with reference to the relevant tax legislation in the countries in which the Company and its subsidiaries operate. Tax payable is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Tax is

recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised in equity. Tax on items relating to equity is recognised in equity.

The corporation tax expense for the Group for H1 2024 was £0.1m on a rounded basis (H1 2023: £0.1m). Corporation tax is charged on any profits arising at the following rates depending on location of the company or branch:

Isle of Man	0% (2023: 0%)
Republic of Ireland	12.5% (2023: 12.5%)
Japan	23.2% (2023: 23.2%)
Labuan	24% (2023: 24%)
The Bahamas	0% (2023: 0%)

No deferred tax asset is currently being recorded in relation to losses arising in Hansard Europe.

There is no material difference between the current tax charge in the consolidated statement of comprehensive income and the current tax charge that would result from applying standard rates of tax to the profit before tax.

## 9 Earnings per share

	Six months ended		Year ended
	31 December		30 June
	2023	2022	2023
Profit after tax (£m)	4.0	3.0	5.7
Weighted average number of shares in issue (millions)	137.6	137.6	137.6
<b>Earnings per share in pence</b>	<b>2.9p</b>	2.2p	<b>4.1p</b>

The Directors believe that there is no material difference between the weighted average number of shares in issue for the purposes of calculating either basic or diluted earnings per share. Earnings under either measure is 3.0 pence per share (H1 2023: 2.2p).

## 10 Dividends

Interim dividends payable to shareholders are recognised in the year in which the dividends are paid. Final dividends payable are recognised as liabilities when approved by the shareholders at the annual general meeting.

The following dividends have been paid by the Group during the period:

	Six months ended 31 December				Year ended	
	2023		2022		30 June	
	Per share	Total	Per share	Total	Per share	Total
	p	£m	p	£m	p	£m
Final dividend paid	2.65	3.60	2.65	3.50	2.65	3.60
Interim dividend paid	-	-	-	-	1.80	2.50
	<b>2.65</b>	<b>3.60</b>	2.65	3.50	4.45	6.10

The Board have resolved to pay an interim dividend of 1.8p per share. This amounts to £2.5m and will be paid on 25 April 2024 to shareholders on the register at 15 March 2024.

## 11 Intangible assets and property, plant and equipment

## Intangible assets

The historical cost of computer software is the purchase cost and the direct cost of internal development. Computer software is recognised as an intangible asset.

	<b>31 December</b>	<b>2022</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Intangible assets	<b>22.3</b>	16.6	19.9

The increase in computer software relates to capitalised costs associated with the development of a replacement policy administration system. The system went live in early March 2024, at which point amortisation has commenced over its estimated Useful Economic Life.

## Property, plant and equipment

Property, plant and equipment includes both tangible fixed assets and 'right of use assets' recognised in accordance with IFRS 16.

	<b>31 December</b>	<b>2022</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Property, plant and equipment	<b>0.3</b>	0.8	0.4
Right of use assets	<b>2.3</b>	1.7	2.4
	<b>2.6</b>	2.5	2.8

## IFRS 16 - Leases

During the period to 31 December 2023, there were no changes to lease terms for any of the Group's Leases recognised under IFRS 16 and the Group did not enter into any new leases or lease extensions. The weighted average borrowing rate applied to the lease liabilities at 31 December 2023 was 7.0% (31 December 2022: 6.3%).

The recognition of the right-of-use asset represents an increase in the property, plant and equipment figure of £2.3m (31 December 2022: £1.7m). Lease liabilities relating to the right-of-use asset are included within other payables. The interest recognised on the lease liabilities in respect of the right of use asset was £0.1m (31 December 2022: less than £0.1m).

During the year ended 30 June 2021, the Group entered into a sub-lease for part of a building that is reported as a right-of-use asset. The group has classified the sub-lease as an operating lease, as it does not transfer substantially all of the risks and rewards incidental to the ownership of the sub-let asset. During the period ending 31 December 2023, the Group recognised rental income of less than £0.1m (31 Dec 2022: less than £0.1m).

	<b>31 December</b>	<b>2022</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Right of use asset recognised b/f	<b>2.4</b>	1.9	1.9
Additions during the period	-	-	0.9
Depreciation	<b>(0.1)</b>	(0.2)	(0.4)
Net book value of right of use asset c/f	<b>2.3</b>	1.7	2.4
Lease liability recognised b/f	<b>2.9</b>	2.3	2.3
Additions during the period	-	-	0.9
Lease payments made during the period	<b>(0.2)</b>	(0.3)	(0.4)
Interest on leases	<b>0.1</b>	-	0.1
Lease liability recognised c/f	<b>2.8</b>	2.0	2.9

Of which are:

Current lease liabilities	<b>0.2</b>	2.0	0.2
Non-current lease liabilities	<b>2.6</b>	-	2.7

## 12 Deferred origination costs

Amortisation of deferred origination costs is charged within the origination costs line in the consolidated statement of comprehensive income.

Formal reviews to assess the recoverability of deferred origination costs on investment contracts are carried out at each balance sheet date to determine whether there is any indication of impairment. If there is any indication of irrecoverability or impairment, the asset's recoverable amount is estimated. Impairment losses are reversed through the consolidated statement of comprehensive income if there is a change in the estimates used to determine the recoverable amount. Such losses are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation where applicable, if no impairment loss had been recognised.

The movement in value over the period under review is summarised below.

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
At beginning of financial year	<b>117.8</b>	122.5	122.5
Origination costs incurred during the period	<b>3.8</b>	4.5	8.7
Origination costs amortised during the period	<b>(7.1)</b>	(6.8)	(13.4)
	<b>114.5</b>	120.2	117.8

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
<b>Carrying value</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Expected to be amortised within one year	<b>16.6</b>	11.8	11.9
Expected to be amortised after one year	<b>97.9</b>	108.4	105.9
	<b>114.5</b>	120.2	117.8

## 13 Financial investments held to cover liabilities under investment contracts

The Group classifies its financial assets into the following categories: financial investments and trade receivables. Financial investments consist of units in collective investment schemes, equity securities, fixed income securities and deposits with credit institutions. Collective investment schemes, equity securities and fixed income securities are designated at fair value through profit or loss. Deposits with credit institutions are designated at amortised cost.

The decision by the Group to designate its financial investments at fair value through profit or loss reflects the fact that the investment portfolio is managed, and its performance evaluated, on a fair value basis.

The Group recognises purchases and sales of investments on trade date. Investment transaction costs are written off in administration expenses as incurred.

All gains and losses derived from financial investments, realised or unrealised, are recognised within investment income in the consolidated statement of comprehensive income in the period in which they arise.

The value of financial assets at fair value through profit or loss that are traded in active markets (such as trading securities) is based on quoted market prices at the balance sheet date. The quoted market price for financial assets held by the Group is the current bid price. Investments in funds are valued at the latest

available net asset valuation provided by the administrators or managers of the funds and companies, unless the Directors are aware of good reasons why such valuations would not be the most appropriate or indicative of fair value. Where necessary, the Group uses other valuation methods to arrive at the stated fair value of its financial assets, such as recent arms' length transactions or reference to similar listed investments.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables consist, primarily, of contract fees receivable, long-term cash deposits (i.e., with an original maturity duration greater than three months) and cash and cash equivalents.

The following investments, other assets and liabilities are held to cover financial liabilities under investment contracts. They are included within the relevant headings on the condensed consolidated balance sheet.

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Equity securities	<b>58.5</b>	50.0	52.0
Investment in collective investment schemes	<b>923.6</b>	909.5	915.4
Fixed income securities, bonds and structured notes	<b>61.5</b>	50.5	58.7
Deposits and money market funds	<b>63.8</b>	89.9	77.4
<b>Total assets</b>	<b>1,107.4</b>	1,099.9	1,103.5
Other payables	<b>(1.4)</b>	(0.9)	(2.0)
<b>Financial investments held to cover liabilities</b>	<b>1,106.0</b>	1,099.0	1,101.5

The other receivables and other payables' fair value approximates amortised cost.

#### **14 Deferred income**

Fees charged for services related to the management of investment contracts are recognised as revenue as the services are provided. Initial fees which exceed the level of recurring fees and relate to the future provision of services are deferred. These are amortised over the anticipated period in which services will be provided. The recognition of balances in the deferred income reserve is based on actuarial assumptions around future income over the life of each policy. These actuarial assumptions are complex in nature and are subject to estimation uncertainty. The actuarial assumptions are reviewed regularly by the Appointed Actuary.

The movement in value of deferred income over the period is summarised below:

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
At beginning of financial year	<b>144.8</b>	145.1	145.1
Income received and deferred in period	<b>6.5</b>	9.0	16.5
Income recognised in contract fees in the period	<b>(9.1)</b>	(8.4)	(16.8)
	<b>142.2</b>	145.7	144.8
	<b>142.2</b>	145.7	144.8

  

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Carrying value</b>			
Expected to be amortised within one year	<b>18.7</b>	14.7	15.1
Expected to be amortised after one year	<b>123.5</b>	131.0	129.7
	<b>142.2</b>	145.7	144.8

## 15 Other payables

Other payables are initially recognised at fair value and subsequently measured at amortised cost. They are recognised at the point where service is received but payment is due after the balance sheet date.

	31 December		30 June
	2023	2022	2023
	£m	£m	£m
Commission payable	1.1	1.8	1.4
Other creditors and accruals	10.3	8.7	9.5
Provisions	0.1	0.1	-
Lease liabilities of which:			
Current lease liabilities	0.2	2.0	0.2
Non-current lease liabilities	2.6	-	2.7
	<b>14.3</b>	12.6	13.8

## 16 Provisions

Provisions represent amounts to settle a number of the claims referred to in Note 21 'Contingent Liabilities' where it is economically beneficial to do so. Such provisions are calculated where there is an established pattern of settlement for that grouping of claims. The following table reflects the movement in the provision during the period under review.

	31 December 2023
	£m
Settlement provision as at 1 July 2023	0.1
Additional provisions made in the period	-
Released from the provision for settlement	-
<b>Settlement provision as at 31 December 2023</b>	<b>0.1</b>

Further information outlined within IAS 37.85 is not disclosed on the basis that it may prejudice the Company's position.

With the exception of the lease liabilities shown in note 13, and the provisions referred to above, all other payable balances, including amounts due to contract holders, are deemed to be current. Due to the short-term nature of these payables the carrying value is considered to reflect fair value.

## 17 Called up share capital

31 December	30 June
2023	2023



	£m	£m	£m
<b>Authorised:</b>			
200,000,000 ordinary shares of 50p	<b>100</b>	100.0	100.0
<b>Issued and fully paid:</b>			
137,557,079 ordinary shares of 50p (30 June 2023: 137,557,079 ordinary shares)	<b>68.8</b>	68.8	68.8

## 18 Other Reserves

Other reserves comprise the merger reserve arising on the acquisition by the Company of its subsidiary companies on 1 July 2005, the share premium account and the share save reserve. The merger reserve represents the difference between the par value of shares issued by the Company for the acquisition of those companies, compared to the par value of the share capital and the share premium of those companies at the date of acquisition.

	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Merger Reserve	<b>(48.5)</b>	(48.5)	(48.5)
Share premium	<b>0.1</b>	0.1	0.1
Share Save Reserve	<b>0.1</b>	0.1	0.1
Reserve for own shares held within EBT (note 19)	<b>(0.4)</b>	(0.2)	(0.2)
	<b>(48.7)</b>	(48.5)	(48.5)

Included within other reserves is an amount representing 1,182,101 (2022: 412,000) ordinary shares held by the Group's employee benefit trust ('EBT') which were acquired at a cost of £0.5m (see note 19). The ordinary shares held by the trustee of the Group's employee benefit trust are treated as treasury shares in the consolidated balance sheet in accordance with IAS 32 "Financial Instruments: Presentation".

This reserve arose when the Group acquired equity share capital under its EBT, which is held in trust by the trustee of the EBT. Treasury shares cease to be accounted for as such when they are sold outside the Group, or the interest is transferred in full to the employee pursuant to the terms of the incentive plan.

## 19 Equity settled share-based payments

The Company has established a number of equity-based payment programmes for eligible employees. The fair value of expected equity-settled share-based payments under these programmes is calculated at date of grant using the market value of the shares at the date granted and is amortised over the vesting period on a straight-line basis through the consolidated statement of comprehensive income. A corresponding amount is credited to equity over the same period.

At each balance sheet date, the Group reviews its estimate of the number of shares granted that are expected to be exercised. The impact of any revision in the number of shares granted is recognised in the consolidated statement of comprehensive income so that the charge to the consolidated statement of comprehensive income is based on the number shares that actually vest. A corresponding adjustment is made to equity.

The estimated fair value of the schemes and the imputed cost for the period under review is not material to these financial statements.

### 19.1 Incentive Plan Employee Benefit Trust

An Employee Benefit Trust was established in February 2018 to hold shares awarded to employees as an incentive on a deferred basis. Shares awarded under the scheme are purchased by the Trust in the open

market and held until vesting. Awards made under the scheme would normally vest after three years.

<b>Share Awards</b>	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>No. of</b>	<b>No. of</b>	<b>No. of</b>
	<b>Shares</b>	<b>Shares</b>	<b>Shares</b>
Outstanding at start of period	<b>601,684</b>	-	-
Granted	<b>463,823</b>	556,547	631,446
Forfeited	-	-	(29,762)
Vested	<b>(74,899)</b>	-	-
Outstanding at end of period	<b>990,608</b>	556,547	601,684

The Trust was funded with an initial loan of £446,000 during 2018, with further loan funding provided when necessary. During the period the Trust was funded with a further loan of £332,000. As at 31 December 2023, the balance on the loan was £554,000.

<b>Shares Held by the Trust</b>	<b>31 December</b>		<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>No. of</b>	<b>No. of</b>	<b>No. of</b>
	<b>Shares</b>	<b>Shares</b>	<b>Shares</b>
Outstanding at start of period	<b>557,000</b>	12,000	12,000
Purchased	<b>700,000</b>	400,000	545,000
Forfeited	-	-	-
Vested	<b>(74,899)</b>	-	-
Outstanding at end of period	<b>1,182,101</b>	412,000	557,000

During the period the expense arising from share-based payment transactions was £82,000 (2022: £18,000).

## **20 Related party transactions**

Intra-group transactions are eliminated on consolidation and are not disclosed separately here.

There have been no significant related party transactions in the period, nor changes to related parties. Related party transactions affecting the results of previous periods and an understanding of the Group's financial position at previous balance sheet dates are as disclosed in the Annual Report & Accounts for the year ended 30 June 2023.

Details of any share-based transactions with employees during the period are set out in note 19.

## **21 Contingent liabilities**

### **21.1 Litigation**

Financial services institutions can be drawn into disputes in cases where the performance of assets selected directly by or on behalf of contract holders through their advisors fails to meet their expectations. This is particularly relevant in the case of more complex products distributed in Europe prior to 2014.

Even though the Group has never given any investment advice, as this is left to the contract holder directly or through an agent, advisor or an entity appointed at their request or preference, the Group has been subject to a number of complaints in relation to the performance of assets linked to contracts, some of which have escalated into litigation.

As at the date of the 2023 Annual Report, the Group faced litigation based on writs totalling €26.1m or £22.4m. The corresponding figure as at 31 December 2023 was €25.2m or £22.0m (31 December 2022: €26.6m or £23.6m).

Our policy is to maintain contingent liabilities even where we win cases in the court of first instance if such cases have been subsequently appealed.

We have previously noted that we expect a number of our larger claims and litigation costs to ultimately be covered by our Group insurance cover. During the period to 31 December 2023 we recorded £0.7m in insurance recoveries in relation to litigation expenses (31 December 2022: £nil). We expect such reimbursement to continue during the course of those claims.

We continue to estimate insurance coverage against the £22.0m of contingent liabilities referred to above to be in the range of £3m to £10m.

While it is not possible to forecast or determine the final results of such litigation, based on the pleadings and advice received from the Group's legal representatives and experience with cases previously successfully defended, we believe we have a strong chance of success in defending these claims. Other than smaller cases where, based on past experience it is expected a settlement might be reached, the writs have therefore been treated as contingent liabilities.

At this time, it is not possible to make any further estimates of liability.

Between 31 December 2023 and the date of this report, there have been no material developments.

## **21.2 Isle of Man Policyholders Compensation Scheme**

The Group's principal subsidiary, Hansard International, is a member of the Isle of Man Policyholders' Compensation Scheme governed by the Life Assurance (Compensation of Policyholders) Regulations 1991. The objective of the Scheme is to provide compensation for policyholders should an authorised insurer be unable to meet its liabilities to policyholders. In the event of a levy being charged by the Scheme members, Hansard International would be obliged to meet the liability arising at the time. The maximum levy payable in accordance with the regulations of the Scheme in respect of the insolvency of the insurer is 2% of long-term business liabilities. Hansard International's products include a clause in their terms and conditions permitting it to recover any monies paid out under the Scheme from contract holders.

## **22 Foreign exchange rates**

The closing exchange rates used by the Group for the translation of balance sheet items to sterling were as follows:

	<b>31 December 2023</b>	<b>2022</b>	<b>30 June 2023</b>
US Dollar	<b>1.27</b>	1.20	1.27
Japanese Yen	<b>180</b>	159	184
Euro	<b>1.15</b>	1.13	1.17

## **23 Events after the reporting period**

This report for the period ended 31 December 2023 was approved for issue on 6 March 2024. In early March 2024, the Group migrated its policyholder book to a new policy administration system. No other material events have occurred between the reporting date and the issue date that require disclosure under IAS 10.

# INDEPENDENT REVIEW REPORT TO HANSARD GLOBAL PLC

## Conclusion

We have been engaged by Hansard Global Plc (the "Company") to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 31 December 2023 of the Company and its subsidiaries (together, the "Group"), which comprises the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 31 December 2023 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Scope of review section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However future events or conditions may cause the the Group and the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the the Group and the Company will continue in operation.

## Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual consolidated financial statements of the Group are prepared in accordance with UK-adopted international accounting standards. The directors are responsible for preparing the condensed set of consolidated financial statements included in the half-yearly financial report in accordance with IAS 34 Interim Financial Reporting.

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

## INDEPENDENT REVIEW REPORT TO HANSARD GLOBAL PLC (continued)

### Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

### The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

### KPMG Audit LLC

Chartered Accountants  
Heritage Court  
41 Athol Street  
Douglas  
Isle of Man

6 March 2024

**Risk Based Solvency Capital****A) Risk Based Solvency capital position at 31 December 2023**

The Group is subject to the Isle of Man (Insurance Group) Supervision Regulations 2019.

It has adopted the default consolidated accounts method ("Method 1") to calculate the Group Solvency Capital Requirement ("SCR") and Own Funds as required by these regulations.

The Group shareholder Risk Based Solvency surplus at 31 December 2023 was £39.6m (30 June 2023: £44.6m), before allowing for payment of the 2023 interim dividend. All Risk Based Solvency and related data presented in this section is subject to change prior to submission to regulatory authorities.

<b>Group Risk Based Solvency capital position</b>	<b>2023</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>30 June</b>
	<b>Total</b>		<b>2022</b>	<b>2023</b>
	<b>£m</b>		<b>£m</b>	<b>£m</b>
Own Funds	<b>118.7</b>		127.7	124.9
Solvency Capital Requirement	<b>79.2</b>		76.7	80.3
Surplus	<b>39.6</b>		51.4	44.6
Solvency ratio (%)	<b>150%</b>		166%	156%

Totals may differ due to rounding

All Own Funds are considered Tier 1 capital.

The following table analyses the components of Own Funds:

	<b>31 Dec</b>	<b>31 Dec</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>
	<b>Own Funds</b>	<b>Own Funds</b>	<b>Own Funds</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Value of In-Force	<b>120.1</b>	124.9	124.4
Risk Margin	<b>(25.7)</b>	(24.1)	(24.9)
Net Worth	<b>24.3</b>	26.3	25.4
Total	<b>118.7</b>	127.1	124.9

Own Funds decreased due to dividend payments, expenses and low new business volumes, offset by positive market movements.

**B) Analysis of movement in Group capital position**

A summary of the movement in Group Risk Based Solvency surplus from £44.6m at 30 June 2023 to £39.6m at 31 December 2023 is set out in the table below.

<b>Analysis of movement in Group shareholder surplus</b>	<b>£m</b>
Risk Based Solvency surplus at 30 June 2023	<b>44.6</b>
Operating experience	<b>(0.6)</b>
Investment performance	<b>1.1</b>
Changes in assumptions	<b>(3.0)</b>
Dividends paid	<b>(3.3)</b>
Foreign exchange	<b>0.8</b>
Risk Based Solvency surplus at 31 December 2023	<b>39.6</b>

The movement in Group Risk Based Solvency surplus in the first half of the 2024 financial year was the result of dividends paid, changes in assumptions and operating experience, offset by positive investment market performance and exchange rate movements.

New business written had a negative £0.1m (H1 2023: positive £0.1m) impact on Own Funds for the period.

### **C) Analysis of Group Solvency Capital Requirements**

The analysis of the Group's Solvency Capital Requirement by risk type is as follows:

<b>Split of the Group's Solvency Capital Requirement*</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>30 June 2023</b>
Risks	<b>% of SCR</b>	<b>% of SCR</b>	<b>% of SCR</b>
Market			
Equity	<b>44%</b>	43%	44%
Currency	<b>14%</b>	12%	14%
Insurance			
Lapse	<b>50%</b>	50%	50%
Expense	<b>18%</b>	18%	17%
Default	<b>1%</b>	2%	2%
Operational	<b>16%</b>	19%	18%

\* Figures are the capital requirements prior to diversification benefits expressed as a percentage of the final diversified SCR.

### **D) Reconciliation of IFRS equity to Group Risk Based Solvency Shareholder Own Funds**

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>30 June 2023</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
IFRS shareholders' equity	<b>22.3</b>	21.5	21.8
Elimination of DOC	<b>(114.5)</b>	(120.2)	(117.8)
Elimination of DIR	<b>142.2</b>	145.7	144.8
Value of In-Force	<b>120.1</b>	124.9	124.4
Liability valuation differences*	<b>(3.4)</b>	(4.1)	(3.5)
Impact of risk margin	<b>(25.7)</b>	(24.1)	(24.9)
Other**	<b>(22.3)</b>	(16.6)	(19.9)
Risk Based Solvency Shareholder Own Funds	<b>118.7</b>	127.1	124.9

\* Liability valuation differences relate to additional provisions made for risk-based capital purposes, notably for contingent liabilities.

\*\* Other is related to Intangible Assets not recognised on the solvency balance sheet.

### **E) Sensitivity analysis**

The sensitivity of the Own Funds to significant changes in market conditions is as follows:

<b>Impact of market sensitivities</b>	<b>31 Dec 2023 Group</b>	31 Dec 2022 Group	30 June 2023 Group
	<b>£m</b>	£m	£m
Own Funds	<b>118.7</b>	127.7	124.9
Impact of:			
10% instantaneous fall in equity markets	<b>(8.5)</b>	(8.1)	(8.6)
100 basis points decrease in interest rates	<b>(0.9)</b>	(0.8)	(0.8)
10% increase in expenses	<b>(7.5)</b>	(7.5)	(7.4)
1% increase in expense inflation	<b>(5.8)</b>	(5.4)	(5.3)
10% strengthening of sterling	<b>(11.0)</b>	(11.7)	(11.5)

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