

Company registration number 06110770 (England and Wales)

INVESTMENT FUND SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

INVESTMENT FUND SERVICES LIMITED

COMPANY INFORMATION

Directors	Andrew Staley Allan Hamer Helen Redmond Sarah Peaston Sally Helston Dom Clarke Katherine Damsell Simon Chalkley	(Appointed 25 March 2024) (Appointed 27 November 2024)
Secretary	Norah Burns	
Company number	06110770	
Registered office	Marlborough House 59 Chorley New Road Bolton	
Auditor	Barlow Andrews LLP Carlyle House 78 Chorley New Road Bolton	
Bankers	HSBC Bank Plc 60 Queen Victoria Street London	

INVESTMENT FUND SERVICES LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 18

INVESTMENT FUND SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors present the strategic report for the year ended 30 September 2024.

Principal activities

The principal activity of Investment Fund Services Limited (IFSL) is to act as the authorised corporate director (ACD) for open-ended investment companies (OEICs) and as an authorised fund manager (AFM) for unit trusts. The role of the ACD (and AFM) is to ensure these UK-registered collective investment schemes are run in the best interests of their investors. The business is authorised by the Financial Conduct Authority (FCA) to act as both a UK Undertaking for Collective Investment in Transferable Securities (UK UCITS) firm and an Alternative Investment Fund Manager (AIFM).

Review of the business

The key performance indicators for the company are as follows:

	2024	2023
	£'000	£'000
AUM	16,611,488	10,144,711
Turnover	93,880	68,559
Profit before taxation	523	213
Net assets	10,150	9,758

The business continues to provide independent ACD services. Assets under management, the key driver of revenue, increased during the year by 64% (from £10,145 million to £16,611 million). Profit before tax more than doubled to £523k (2023: £213k).

The company's revenue, all of which is derived from ACD services and associated activities for its funds, was £93.9 million (2023: £68.6 million), an increase of 37% from the previous year. The increase was predominantly due to the successful onboarding of the Evenlode fund range.

A new contract has been signed for the launch of a number of new funds, which have received FCA approval post year-end and are anticipated to bring further inflows. The company is focused on identifying suitable unitisation partners for the coming year, with the onboarding process already underway with a number of new ones. Stretching but achievable targets have been set for the current financial year to ensure the continuation of IFSL's growth.

Expenses have increased by 37% to £93.9m (2023: £68.5m). This increase is in line with revenue growth and is also partially due to continued investment by the company in its people and technology, which is to enable the business to continue to grow its assets under management and partner base, while maintaining high standards of governance.

During the year, the company began a new relationship with SS&C, which is providing transfer agency and fund administration services for the IFSL funds. This relationship will enable IFSL to benefit both from advances in technology and SS&C's specialist expertise. It is expected to support IFSL's growth by enabling the business to maintain high standards of service, whilst enabling the business to become more scalable and onboard new business more efficiently.

IFSL's capital position remains very strong, with the company holding substantially more than its capital adequacy requirement. The business had net assets at the year-end of £10.2m, almost all of which is held in liquid assets.

INVESTMENT FUND SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Principal risks and uncertainties

The directors are pleased with the results and financial position for the year under review. The business has improved its profitability, while continuing to differentiate itself through the quality of its service, with highly experienced and collaborative senior leadership and relationship management teams. IFSL is committed to service excellence and high standards of business conduct and has continued to invest in its people and technology to enable standards to be maintained as growth continues. Relationships with new partners such as SS&C will also help to maintain and enhance the quality of IFSL's service as the business grows.

The activities of the business are not expected to change in the foreseeable future, with the focus being on working strategically with our existing partners to deliver asset growth, while also establishing new partnerships to achieve additional growth. The directors are confident that the business has the appropriate culture and people with the necessary talent and experience to meet its objectives.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The board of directors of IFSL consider that in their decision-making they have acted in a manner most likely to promote the success of the company for the benefit of its members as a whole. In doing so, they have considered their statutory duties as follows:

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

The following demonstrates how the directors take these factors into consideration in their decision making.

The company's activities are not expected to change in the foreseeable future. The focus is on working strategically with existing partners to deliver AUM growth while also forming new partnerships, to achieve growth in AUM. The directors are confident that the business employs people with the appropriate talent and experience to meet its objectives, while maintaining the culture of the business. The directors believe strong relationships with stakeholders will enable the business to overcome the economic, regulatory and other challenges it faces in the year ahead.

In addition to key financial performance indicators referred to above, the business is aware of its environmental responsibilities and endeavours to minimise its operational impact on the environment. The company forms part of a wider group, with environmental and employee relations considered at group level.

In line with the best available science, the group acknowledges there is an urgent need to accelerate the transition towards global net zero. After a recent review, the group has acknowledged that its original target of achieving net zero by 2040 was highly ambitious and has amended this to 2050. While the group's commitment to net zero remains as strong as ever, this target is viewed as more realistic.

The group continues to implement, monitor and review its environmental, social and governance (ESG) policy and net zero strategy documents. The company remains focused, resolute and compliant with its emissions reporting responsibilities. Regular reporting is conducted through Streamlined Energy and Carbon Reporting (SECR), the Energy Saving Opportunity Scheme (ESOS), the Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Disclosure Requirements (SDR). This reporting is completed through the work of group colleagues and with the help of external specialists.

The objective of reaching carbon neutrality through the group's utility contracts across operations by the end of 2025 remains on course. The business has made great progress so far, replacing expiring 'traditional' energy contracts using the Renewable Energy Guarantees of Origin (REGO) scheme (58% of the group's energy is now bought via REGO).

INVESTMENT FUND SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The group has recently established a sub-committee of its executive committee that is wholly focused on sustainability matters. In addition, it has established a sustainability champions group, which will drive a range of initiatives. Regular sustainability updates are communicated through various channels and colleagues can keep up with progress through the group's new corporate social responsibility (CSR) intranet page, which is kept up to date by the recently established CSR forum. Looking ahead, the board are set to agree and schedule ESG training for all colleagues and additional training will also be provided for the sustainability champions group.

Sustainability offers environmental, economic and social benefits, and, through sustainable practices, the group can identify and implement potential cost-saving opportunities in areas such as energy efficiency and waste reduction. Socially, we can have a positive impact on colleague wellbeing and in our local communities. Environmentally, the group will contribute to helping to promote a healthier planet through managing, monitoring and reviewing its environmental impacts.

The business recognises that employee relations are a critical factor requiring careful attention. To foster a positive workplace culture, we have completed and reviewed comprehensive employee engagement surveys. Based on the insights gained, we are setting strategic objectives to address key areas of employee satisfaction and organisational growth. We are committed to maintaining robust policies that prioritise both the remuneration and welfare of our employees.

On behalf of the board

Dom Clarke
Director

15 January 2025

INVESTMENT FUND SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors present their annual report and financial statements for the year ended 30 September 2024.

Principal activities

The principal activity of Investment Fund Services Limited (IFSL) is to act as the authorised corporate director (ACD) for open-ended investment companies (OEICs) and as an authorised fund manager (AFM) for unit trusts. The role of the ACD (and AFM) is to ensure these UK-registered collective investment schemes are run in the best interests of their investors. The business is authorised by the Financial Conduct Authority (FCA) to act as both a UK Undertaking for Collective Investment in Transferable Securities (UK UCITS) firm and an Alternative Investment Fund Manager (AIFM).

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Andrew Staley	
Allan Hamer	
Helen Redmond	
Helen Derbyshire	(Resigned 11 December 2023)
Guy Sears	(Resigned 25 March 2024)
Sarah Peaston	
Sally Helston	
Dom Clarke	
Katherine Damsell	(Appointed 25 March 2024)
Simon Chalkley	(Appointed 27 November 2024)

Auditor

The auditor, Barlow Andrews LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company. The company has therefore taken advantage of exemptions from the disclosure requirements relating to energy and carbon reporting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Dom Clarke
Director

15 January 2025

INVESTMENT FUND SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INVESTMENT FUND SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVESTMENT FUND SERVICES LIMITED

Opinion

We have audited the financial statements of Investment Fund Services Limited (the 'company') for the year ended 30 September 2024 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INVESTMENT FUND SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVESTMENT FUND SERVICES LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the financial services sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and FCA regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

INVESTMENT FUND SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVESTMENT FUND SERVICES LIMITED (CONTINUED)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Emma Woods (Senior Statutory Auditor)

For and on behalf of Barlow Andrews LLP, Statutory Auditor

Carlisle House

78 Chorley New Road

Bolton

15 January 2025

INVESTMENT FUND SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	93,880,197	68,559,318
Administrative expenses		(93,776,507)	(68,451,326)
Operating profit	4	103,690	107,992
Interest receivable and similar income	7	419,119	104,672
Profit before taxation		522,809	212,664
Taxation	8	(130,703)	-
Profit for the financial year		392,106	212,664

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There is no other comprehensive income for the year. The total comprehensive income is the profit for the financial year shown above.

INVESTMENT FUND SERVICES LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Investments	9		100		100
Current assets					
Debtors	11	98,735,331		66,106,275	
Cash at bank and in hand		15,220,115		8,192,903	
		<u>113,955,446</u>		<u>74,299,178</u>	
Creditors: amounts falling due within one year	12	<u>(103,805,102)</u>		<u>(64,540,940)</u>	
Net current assets			10,150,344		9,758,238
Net assets			<u>10,150,444</u>		<u>9,758,338</u>
Capital and reserves					
Called up share capital	13	4,010,000		4,010,000	
Profit and loss reserves		6,140,444		5,748,338	
Total equity			<u>10,150,444</u>		<u>9,758,338</u>

The financial statements were approved by the board of directors and authorised for issue on 15 January 2025 and are signed on its behalf by:

Dom Clarke
Director

Company registration number 06110770 (England and Wales)

INVESTMENT FUND SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 October 2022	4,010,000	5,535,674	9,545,674
Year ended 30 September 2023:			
Profit and total comprehensive income	-	212,664	212,664
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2023	4,010,000	5,748,338	9,758,338
Year ended 30 September 2024:			
Profit and total comprehensive income	-	392,106	392,106
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2024	<u>4,010,000</u>	<u>6,140,444</u>	<u>10,150,444</u>

INVESTMENT FUND SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

Company information

Investment Fund Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Marlborough House, 59 Chorley New Road, Bolton.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Investment Fund Services Limited is a wholly owned subsidiary of Marlborough Group Holdings Limited and the results of Investment Fund Services Limited are included in the consolidated financial statements of Marlborough Group Holdings Limited which are available from Companies House, Crown Way, Cardiff.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the provision of management services and from the servicing of transactions in the funds under management in the period. Revenue is recognised as the services are provided on a day to day basis.

1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

INVESTMENT FUND SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

INVESTMENT FUND SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

When tax losses are surrendered to companies within the same group, a charge is made to the company receiving the tax relief. The charge is equivalent to the tax saved by the receiving company arising from the group relief.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVESTMENT FUND SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2024 £	2023 £
Turnover analysed by class of business		
Provision of management services	93,880,197	68,559,318

	2024 £	2023 £
Turnover analysed by geographical market		
United Kingdom	93,880,197	68,559,318

	2024 £	2023 £
Other revenue		
Interest income	419,119	104,672

4 Operating profit

	2024 £	2023 £
Operating profit for the year is stated after charging:		
Operating lease charges	272,547	273,291

INVESTMENT FUND SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

5 Auditor's remuneration

	2024 £	2023 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	21,680	20,600
For other services		
All other non-audit services	1,000	1,000

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024 Number	2023 Number
Directors	7	8

All staff and directors were employed and paid on behalf of the company by the parent company, Marlborough Group Holdings Limited.

7 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	419,119	104,672
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	419,119	104,672

8 Taxation

	2024 £	2023 £
Current tax		
UK corporation tax on profits for the current period	130,703	-

INVESTMENT FUND SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024 £	2023 £
Profit before taxation	522,809	212,664
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 22.00%)	130,702	46,786
Tax effect of expenses that are not deductible in determining taxable profit	2,848	1,118
Under/(over) provided in current year	(2,847)	(47,904)
Taxation charge for the year	130,703	-

9 Fixed asset investments

	Notes	2024 £	2023 £
Investments in subsidiaries	10	100	100

10 Subsidiaries

Details of the company's subsidiaries at 30 September 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shareholding	% Held Directly
IFSL Professional Services Limited	Marlborough House, 59 Chorley New Road, Bolton	Non trading	Ordinary	100.00

11 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	9,608,715	5,746,739
Money due from deals	87,755,779	58,218,227
Amount due from group undertakings	425,700	924,975
Other debtors	13,075	29,269
Prepayments and accrued income	932,062	1,187,065
	98,735,331	66,106,275

INVESTMENT FUND SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	7,258,414	3,395,628
Amounts due to group undertakings	191,009	1,676
Corporation tax	153,244	70,445
Money due on deals	86,070,090	55,944,004
Accruals and deferred income	10,132,345	5,129,187
	<u>103,805,102</u>	<u>64,540,940</u>

13 Share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>4,010,000</u>	<u>4,010,000</u>	<u>4,010,000</u>	<u>4,010,000</u>

Each share issued is entitled to one vote in any circumstances.

14 Related party transactions

Transactions with related parties

The company has managed 92 (2023: 89) authorised collective investment schemes during the year and generated income of £93,880,197 (2023: £68,559,318) directly from these funds. At 30 September 2024, there was £9,359,517 (2023: £5,719,739) due from the funds.

15 Ultimate controlling party

The parent company is Marlborough Group Holdings Limited.

UFC Fund Management Plc is the ultimate group parent.

The company is included in the consolidated accounts of Marlborough Group Holdings Limited and UFC Fund Management Plc, both incorporated in England and Wales. The registered office of these companies is Marlborough House, 59 Chorley New Road, Bolton. Copies of the group accounts for both entities can be obtained from the registered office.