TISE 25

Celebrating our 25th anniversary year

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

tisegroup.com

TISE 25
Celebrating our 25th anniversary year

Our 2022

Despite the macro-economic headwinds, we delivered our second-best year ever for new listings and profitability.

Investment in our infrastructure and people remains core to executing our strategy of diversifying and scaling up the business to sustain future growth.

Our financial performance

↑0.2%
£10.0 million
Turnover

↓13.2%
£4.1 million
Profit after tax

↓13.4%
41.3%
Net profit margin

↓13.5%
145.6 pence
Basic EPS

Net profit margin: Profit for the financial year / Turnover x 100
Percentage figures: Movement since FY 2021

TISE 25
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Our Exchange

Built on a culture of responsiveness and innovation during the last 25 years, we are a leading European stock exchange for listing international bond issuances.

Issuers from around the world and a variety of industries choose to list and trade securities on TISE.

Our credentials

↑9.6%
4,020 securities
Official List

↑18.3%
£646 billion
Total market value

↓14.0%
956 securities
New listings

↑10.2%
2,300
Issuers

Official List & Issuers: Figures as at 31 December 2022
New listings: Figures for FY 2022
Total market value: The total value of all securities admitted to the Official List as at 31 December 2022
Percentage figures: Movement since FY 2021

Responsive. Innovative.

We are a leading European stock exchange providing international capital markets participants with a high-quality product and service offering for the listing and trading of securities.

Bonds

QIBM Qualified Investor Bond Market

One of Europe's leading stock exchanges for international bond listings via our uniquely positioned Qualified Investor Bond Market (QIBM)

Equities

TISE The International Stock Exchange

A regulated stock exchange home to a range of innovative equity listings across trading companies and investment vehicles, including UK REITs

Sustainable

TISE SUSTAINABLE

Europe's most comprehensive sustainable market segment, enabling the flow of capital into environmental, social or sustainable activities

Trading

NOVA TISE Trading System

Our bespoke auction-based trading system, NOVA, combines choice and transparency to facilitate concentrated liquidity events

TISE 25
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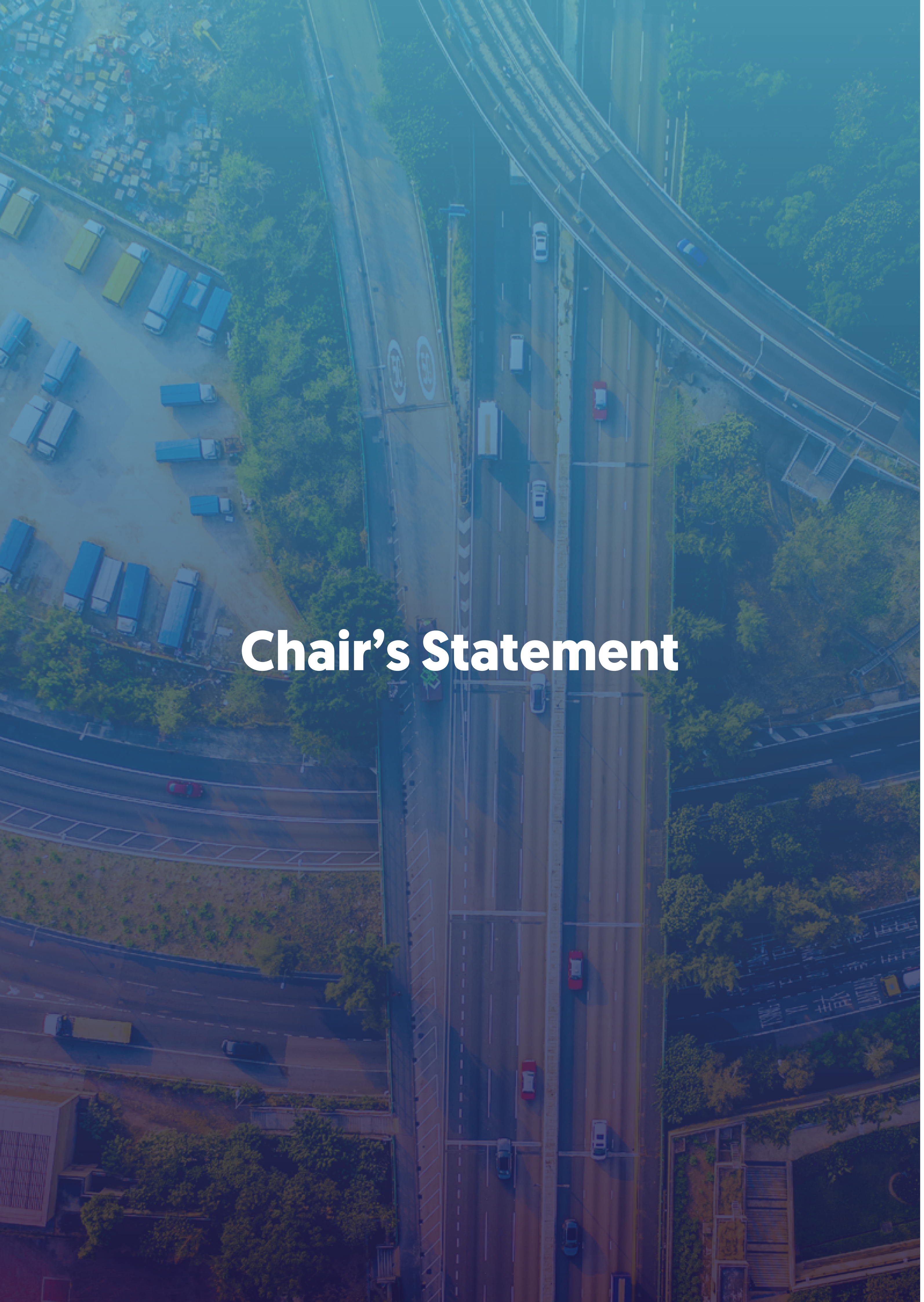


Chair’s Statement

Following a record 2021, adverse macro-economic conditions impaired trading during 2022. Nevertheless, we successfully mitigated against the worst effects so that we entered the Exchange’s 25th anniversary this year with net growth in the size and value of our market.

We delivered our second-best year ever for new listings and profitability in 2022. Turnover matched the record set a year previously but profit after tax and basic earnings per share were impacted by the increased costs of doing business and an increase in expenditure to support planned investment and execution of our strategy to sustain future growth.

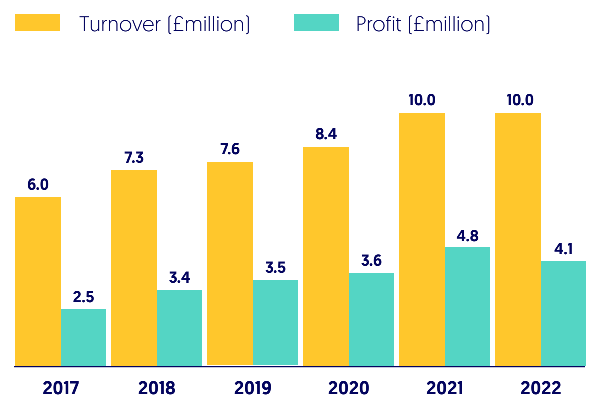
During 2022 we paid a special dividend of £2.00 per share which, together with the ordinary dividends, equated to a total return of £8.0 million to shareholders.

Listings and profits

Despite the difficult macro-economic environment, the Group continued to perform well during 2022. New listings were only modestly lower compared to the record set a year previously and the total number of listings on the Official List reached a new record high since the inception of the Exchange in October 1998.

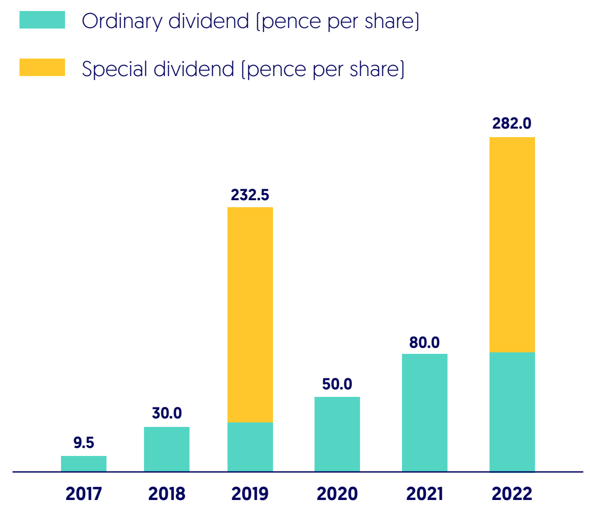
Fees generated from the new listings, together with annual fees from across the market, contributed to turnover of £10.0 million at 31 December 2022, which was on a par with the record of a year previously [31 December 2021: £10.0 million]. Revenue generation in the fourth quarter was bolstered by our decision to bring forward the implementation of targeted increases to our bond and equity listing fees effective from October 2022.

Profit after taxation decreased year on year to £4.1 million at 31 December 2022 [31 December 2021: £4.8 million] and basic earnings per share fell to 145.6p [31 December 2021: 168.4p]. These exceeded expectations, given both the uncertain macro-economic conditions and an increase in costs, and represent our second-best year ever. Expenditure increased to £5.8 million [31 December 2021: £5.1 million] as a result of our increased cost of doing business and the planned investment to support an increasingly expanded and more diverse operating portfolio. Project costs relating to the development of TISE Private Markets totalled £176,000 during 2022 (2021: £33,000).



Financial position

The Group has enjoyed significant growth and remains highly cash generative, with a strong and highly liquid balance sheet. During 2022, the Board declared a special dividend of £2.00 per share (paid June 2022) in addition to ordinary dividends of 45p per share (paid April 2022) and 37p per share (paid October 2022). This represents a return of £8.0 million to shareholders during 2022.



Our Dividend Policy is to pay total annual dividends in the order of 50% of the Group’s profit after tax in respect of the relevant financial year. The Group had net assets of £7.7 million at 31 December 2022 [31 December 2021: £11.4 million], with capital retained to support the Group’s operations, including meeting all regulatory obligations and executing on our strategy to deliver greater diversification and scale.

Chair's Statement

Trading in the Company's shares remains infrequent, and we have been disappointed by the poor uptake of our auction trading system, NOVA. With the assistance of Investec Bank plc as Financial Adviser, we continue to focus on our Investor Relations activities and communications with the aim of increasing the Group's visibility and improving the liquidity of the Company's shares. We have continued to engage independent investment research consultants Hardman & Co. to undertake and distribute sponsored research reports on the Group to their network of individuals, institutions, IFAs and media outlets, including Bloomberg, Refinitiv and the Financial Times [latest report May 2022].

Strategy

The uncertainty created by the unsettled external environment last year has continued to suppress listing volumes during the early part of 2023. The macro-economic environment remains far from buoyant and the turbulence in the US and European banking sector has generated further instability at a time when we were anticipating that improving conditions would begin to filter through to the debt capital markets. We continue to monitor this situation and the potential impact it may have on listing volumes. We believe we have a plan in place that will enable us to mitigate the worst effects of unsettled market conditions and capitalise on the opportunities which will emerge with the return of a more stable external environment. In addition, the imminent launch of a private market offering represents another exciting element of our programme to diversify our business and revenue base. I would like to thank Cees, the senior leadership team and all our staff, as well as my fellow Board members, for their contribution to the progress we have made to date in delivering this strategy.

I would like to congratulate Andy Watchman who was appointed to the Board at the start of the year. Andy has been Chief Financial Officer since May 2021 and this appointment reflects both the strong impact he has made as CFO, as well as the value which we feel he can bring to Board. I look forward to working even more closely with him in the future.

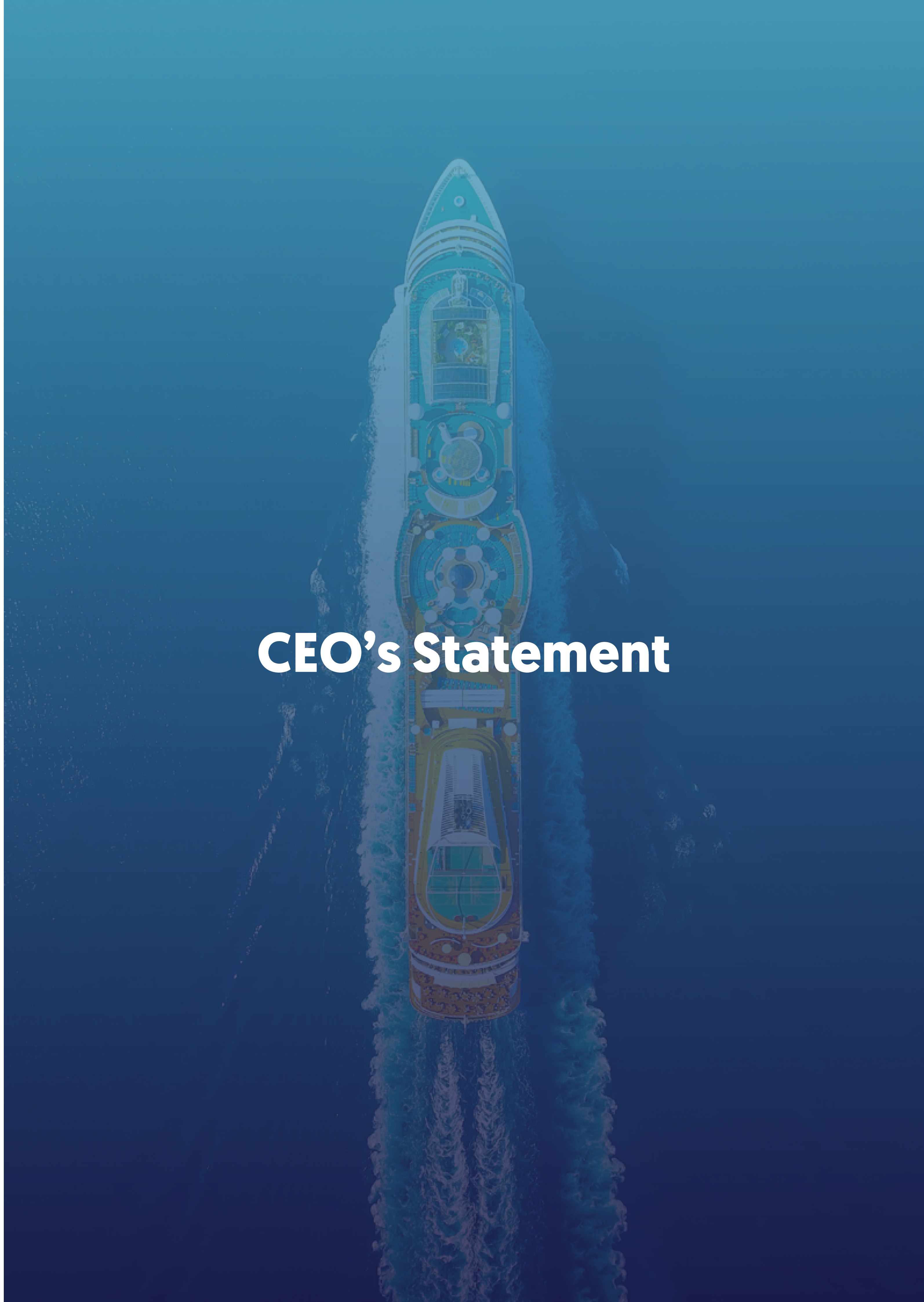
Having served as a Non-Executive Director for the past nine years, Stuart Turner will be stepping down from the Board at the close of the upcoming Annual General Meeting. Together with my fellow Board members, I would like to place on record our thanks to Stuart for his support and guidance.

I am pleased to announce that Julia Chapman will be joining the Board as a Non-Executive Director at the end of March. Based in Jersey, Julia's expertise within the corporate services sector and significant experience as a non-executive director will further enhance the skills and experience of the Board as we look to develop and broaden the Group's services over the coming years.

As we look back at how the Exchange has grown and developed since it first opened for business 25 years ago, I would like to take this opportunity to thank all those who have been part of our journey and who have contributed to our success. With a clear strategy and a committed team, the Exchange is well positioned for its next phase of growth and innovation. I would like to thank our shareholders for their ongoing support, and of course remain available to any shareholders wishing to discuss matters further.

Anderson Whamond
Chair

29 March 2023



CEO's Statement

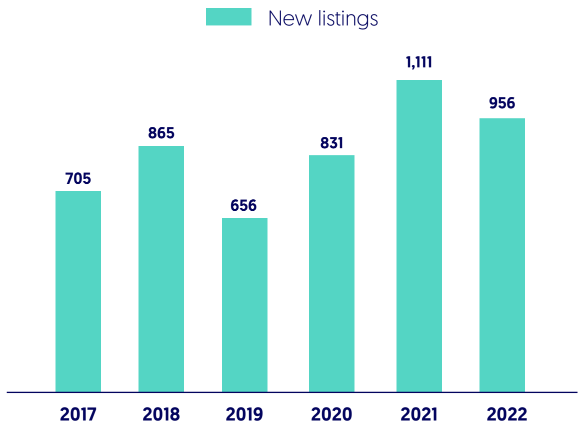
While the challenging macro-economic environment dampened new listing volumes last year, 2022 was the second-best year for new listings and profitability since the inception of the Exchange, turnover matched the record set in 2021 and we entered our 25th anniversary this year with more listings on the market than at any other time in the Exchange’s history.

We have experienced the much-anticipated pullback from the historic bull market run as geopolitical instability, global supply chain issues, persistent inflation and rising interest rates combined to provide unfavourable conditions within the debt capital markets. We focussed on the efficient and secure listing of bonds offered to institutional and professional investors, and ultimately there was further growth in the breadth and depth of our market. We maintained our market leader position in specific segments, diversified our product base and expanded our geographical reach.

We continued to invest in the business to support the successful execution of this strategy to grow our core bond listing proposition and we have invested in exploring other opportunities which will provide diversification of our product range. We will be shortly launching an innovative private markets offering which provides companies and funds with tailored electronic trading, settlement and registry solutions. This is an exciting development which will not only diversify our business and revenue base but lay the foundations to further expand the services which we offer.

Markets and products

Despite the unfavourable macro-economic conditions, there were 956 newly listed securities on TISE during 2022. Having only been surpassed by the record number of new listings during the year previously [2021: 1,111], it meant that the last two years were the most successful for new listings in the Exchange’s history. This contributed to a rise of 9.6% year on year in the total number of securities admitted to our Official List, which reached 4,020 at the end of 2022 [31 December 2021: 3,669] representing the highest total since the Exchange first opened for business in October 1998 and a combined market value of £646 billion.



Wider market uncertainty depressed listing volumes last year, especially in products such as high yield bonds with the greatest exposure to the broader debt capital markets. Yet, excluding the impact of high yield, the resilience of M&A activity and the value in a well-trodden path to listing helped maintain solid listing volumes on TISE. The Qualifying Asset Holding Companies (QAHC) regime, which was introduced in April 2022, has had limited impact to date on Quoted Eurobond Exemption (QEE) related listings but we are continuing to actively monitor market trends. The QEE route, combined with a listing on TISE, continues to provide issuers and their advisers with a cost-efficient and expeditious solution. The strong flow of new bond listings on TISE during the last two years has helped set several records and demonstrates the attractiveness of our core bond market proposition.

Bonds

TISE’s core offering as a leading European professional bond market is our Qualified Investor Bond Market (QIBM). Launched in 2021, the QIBM proposition was further enhanced during last year through a detailed revision of its post-listing continuing obligations in response to feedback from our Member firms and the wider advisory community.

Across QIBM in 2022, there were a total of 2,370 new issuances listed, comprising 940 entirely new security classes, as well as an additional 1,430 further issues to existing listings. There was continued product diversification during the year with listings on QIBM including securitisations, high yield bonds and convertibles.

There were 137 securitisation bonds newly listed last year, which was on a par with the prior year [2021: 142] and more than triple the number listed in 2020 [2020: 40]. This significant growth took the total number of securitisations listed on TISE to 480 at the end of 2022, including prominent deals from major international banks backed by a range of asset classes including auto loans, credit card receivables, loans to SMEs, as well as residential and commercial mortgage-backed securities.

The prevailing macro-economic environment had a particularly significant adverse impact on the number of new high yield bond issuances coming to the market. Despite this, there were 51 high yield bonds newly listed on TISE last year from a diverse range of sectors and geographies. This took the total number of high yield bonds listed on TISE to 401 at the end of December, surpassing 400 for the first time and further cementing the Exchange’s position as the number one listing venue in Europe for listing high yield bonds.

In addition, 23 new bond programmes listed securities on TISE last year, which represented 10% growth on the prior year [2021: 21] and meant that we finished 2022 with a total of 83 bond programmes listing 352 securities on TISE.

Equities

With 16 newly listed securities admitted to our equity market last year, there was a significant reduction in volumes compared to a year previously [2021: 40]. This included five new REIT listings [2021: 15] which brought the total number of REITs listed on TISE to 43 at the end of 2022 [31 December 2021: 43]. This reduction in demand largely arises from specific UK legislative changes introduced in April 2022 which removed the listing requirement for UK REITs owned by institutional investors, but market feedback indicates that the certainty of an efficient and cost-effective route to list will continue to prove attractive to some REITs.

We launched our new bespoke auction trading system, NOVA, in February 2022 to provide our equity issuers with a transparent book build and pricing mechanism. With only 1% of reported trading conducted via NOVA during 2022, we are disappointed that the NOVA platform has not been more widely utilised by the broker community and as such, there has been a failure to rebalance activity towards on-exchange trading. However, NOVA does provide us with a flexible platform which can be adapted to support new products and services, including our prospective private markets offering.

Sustainable finance

TISE Sustainable is our comprehensive and reputable sustainable finance segment which was launched in 2021. Since then, sustainable issuers, green bonds, sustainable bonds, sustainability-linked bonds and humanitarian catastrophe bonds have been admitted to TISE Sustainable. In 2022, there were new admissions from brands such as Dutch telecommunications group VodafoneZiggo, the UK’s leading independent leasing, fleet management and vehicle outsourcing business Zenith, and renewable energy infrastructure investor Bluefield.

We are a Partner Exchange of the United Nations’ Sustainable Stock Exchanges Initiative (UN SSE) and we continued to engage with various stakeholders over the course of last year. This included participation in sustainable finance working groups in both Guernsey and Jersey, providing input into research papers on financing the transition to net-zero and sponsorship and a panel session speaking opportunity during Guernsey’s Sustainable Finance Week in September.

This proactive approach ensures that we are at the forefront of thought leadership and innovative action focused on facilitating sustainable investment. In October, we launched a new transition offering within TISE Sustainable so that we can cater for transition bonds and transition issuers, further supporting initiatives which lead to a lower carbon economy and society as part of the hugely important efforts to secure a just transition to net-zero.

At 31 December 2022, the total value of listings on TISE supporting environmental, social and sustainable initiatives reached £13 billion, which demonstrates the role we can play as a facilitator of global flows.

Membership

There was continued growth and internationalisation of Member firms who facilitate business on TISE during 2022. Building on the success achieved in 2021, last year our international Membership base grew a further 13%, with three new Members from Ireland and one from Jersey contributing to the total number of Listing and Trading Members of TISE reaching 43 at the end of 2022.

This means that the leading listing agents for Euronext Dublin's GEM market are now Members of TISE and positioned to directly facilitate listings on our market. It is also very encouraging that we continue to receive further enquiries for Membership from intermediaries in various international locations. This demonstrates the strong appetite internationally for listing bonds on TISE which is coupled with our efficient Member onboarding process.

The geographic expansion in the Membership underpins the delivery of our strategy to diversify and scale up our bond listings in the UK, Europe and internationally. In 2022, the UK remained the largest single source of new business, however for the first time in the Exchange's history more than 25% of all securities listing on QIBM last year originated from the EU, including issuers domiciled in Belgium, France, Germany, Ireland, Italy, Luxembourg, Sweden and The Netherlands.

Global reach

Domicile of issuers listing bonds on TISE in 2022

CEO's Statement

TISE Private Markets

During last year we continued to develop and refine our offering for the private markets. We are excited to be imminently launching TISE Private Markets as an innovative, seamless service of trading, settlement and registry solutions for unlisted privately held companies and private funds. Our unique proposition puts the issuer in full control of its own market, from onboarding to scheduling auction events and managing registers.

Building on the availability of technology and expertise from the public market, we are working with specialist third party service providers whose specific technical expertise will enable us to provide an integrated facility to our clients. We have partnered with a potential customer to conduct beta testing of an initial product concept.

We have made good progress on the development journey and I look forward to launching this product in the coming months, along with the distinctive brand which has been developed to reflect that the technology-led service sits within the TISE portfolio but represents a new, alternative venture for the private markets. This is an exciting and significant milestone in delivering on our strategy to diversify and scale up the business.

Operations and client service

Our enhanced market proposition and expanded suite of products and services was supported by a refresh of the TISE brand and the launch of our new website in January 2022. Together, they formed the foundation for increased marketing and business development activity throughout last year and will be complemented by the launch of the TISE Private Markets brand in 2023.

The team is extremely active in connecting with key intermediaries and clients, especially in London, but also increasingly across Europe. This year we will be returning to the key events hosted by the two major associations of which we are a member: the International Capital Market Association (ICMA) AGM and Conference, which was last year held in Vienna and this year will be in Paris; and the Global ABS conference held annually in Barcelona by the Association for Financial Markets in Europe (AFME).

We have continued to invest in our infrastructure and refine our operational processes to ensure delivery of excellent client service across our increasingly expanded and diverse market. This included the introduction of a guaranteed three-day decision turnaround for completed Membership applications which was very well received by new Members and has proved a key driver in recent Membership applications. We continue to list both bonds and equities under the TISE Guarantee of a "3+1" review timeline which is an industry competitive standard that provides certainty to clients, and was consistently delivered on during 2022. This success and the further refinement of both our rules and processes during last year meant that we were able to introduce a market leading "2+1" review timeframe for Collateralised Loan Obligations (CLOs), which can be more time-sensitive transactions.

We continue to closely manage our cost base, with non-essential expenditure deferred during the period in recognition of lower than forecast revenue growth but we have made, and we will continue to make, significant investment in developing an efficient operating model that enables us to successfully diversify and scale up the business to deliver sustainable growth. The investment made last year, combined with a general rise in the cost of conducting business and reduced revenue growth resulting from fewer than anticipated new listings, has led to a reduced net profit margin of 41.3% (2021: 47.7%).

A large proportion of that expenditure has been deployed to deliver operational efficiencies and we are already starting to see that taking effect in 2023. Expenditure this year will be focused on a significant re-platforming project which involves a major overhaul of our core technology stack. As well as strengthening our market analysis capability and risk management practices, the re-platforming will provide TISE and our Members with a modern, efficient and simplified service. This is an essential initiative that will position us well to execute our strategy to add significant scale in our core markets and service a diversified range of products.

CEO's Statement

As part of our commitment to deliver a business model which is sustainable over the longer term, the Group has recently enrolled on ESI Monitor's FutureTracker service. It is a recognised platform through which we can measure, manage, report and minimise the impact of our operations on the environment. FutureTracker gives us the tools to work collaboratively with internal and external stakeholders to develop a pathway to operate our organisation in a more sustainable manner. We are at the start of this process, with the first step being to establish an emissions benchmark for TISE, and will provide regular progress updates on our journey towards a more sustainable future.

I am pleased with the progress we made in executing our strategy during 2022 despite the challenging macro-economic environment. Those difficult market conditions are inhibiting new listings activity and it is likely that they will continue to do so throughout at least the first half of 2023. We are continuing to closely monitor our pipeline of new listings and we hope that a more stable external environment will precipitate an expansion in listing volumes later in the year. We have an increasingly diversified and scalable business model which puts us in an excellent position to make the most of the opportunities which emerge, especially with the return of improved market conditions.

Many thanks to our Chair, Anderson Whamond, and my fellow Board members for their support. I would also like to thank the senior leadership team and all our staff for their contribution to our success while also showing both commitment and flexibility in adopting changes which put us in a much stronger position for the future.

I look forward to working with all our stakeholders in 2023 which, as the 25th anniversary year, promises to be a significant landmark both in the history and future of TISE. As always, I welcome the chance to discuss our progress in executing this strategy to deliver a business model for sustaining future growth and encourage shareholders to get in touch.

Cees Vermaas
CEO

29 March 2023

Corporate Governance Report

Chair's governance statement

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

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

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

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

Anderson Whamond
Chair

29 March 2023

The Board has continued to adopt and apply the ten principles of the Quoted Companies Alliance Corporate Governance Code (QCA Code) throughout the year. The Board has reviewed the governance framework and confirms that the Company has complied with the principles of the QCA Code during the year. Further information about our compliance with the QCA Code is set out on pages 17 to 26 and on our corporate website.

Governance framework

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

Board leadership

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

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

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

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

Composition and skills

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

As at 31 December 2022, the Board comprised the Chief Executive Officer and four independent Non-Executive Directors (including the Chair). Anderson Whamond, who had served as Chair of the Board on an interim basis since May 2022, was appointed as Chair on a permanent basis on 5 September 2022. Following a review of Board composition, Andy Watchman (Chief Financial Officer) was appointed as an Executive Director from 1 January 2023.

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

Appointment and tenure

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

Although there is no standing requirement for the Directors to offer themselves for re-election at given intervals, the Board has determined that all Directors should be subject to election by shareholders at the first Annual General Meeting following their appointment and to re-election thereafter at intervals of no more than three years. Resolutions for the re-election of each of the Directors were proposed and passed at the 2021 Annual General Meeting.

Guy Coltman and Stuart Turner have now both reached the maximum recommended tenure of nine years' service. The Nominations Committee has reviewed succession plans for the Non-Executive Directors in conjunction with the Director skills matrix.

Anderson was appointed as independent Non-Executive Chair of the Board in September 2022, having served on the Board as an independent Non-Executive Director since March 2017. He is also Chair of the Group's Nominations Committee and a member of both the Audit Committee and Remuneration Committee.

Background, experience and skills

Anderson has over 40 years' experience in the banking and financial sector. He is an executive director of Fiera Capital (IOM) Limited and also director of a number of listed and non-listed investment companies. Anderson began his career at White Weld Securities before joining Salomon Brothers International in London and then Morgan Stanley International, where he was a principal in charge of convertible bond trading. He later relocated to Hong Kong to run the equity trading businesses of Peregrine Investment Holdings Limited. In 1998, Anderson joined the Regent Pacific Group as head of corporate investments and relocated to the Isle of Man. He joined the Charlemagne Group in 2002 and was a director of AIM quoted Charlemagne Capital Limited until March 2009.

Time Commitment: Approximately 5 – 6 days a month.

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

Background, experience and skills

Cees has more than 20 years' experience within international financial market infrastructure. He has held senior executive positions within several international exchanges, including CEO of CME Europe Ltd, CEO of Euronext Amsterdam and Head of European Cash Markets for NYSE Euronext. Prior to that, he spent a decade working in IT and programme management roles within leading Netherlands based companies Philips and Delta Lloyd Group. Cees holds a degree in Business Administration and Industrial Engineering from The Hague University of Applied Sciences in the Netherlands.

Time Commitment: Full time.

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

Background, experience and skills

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

Time Commitment: Approximately 3 – 4 days a month.

Gill is an independent Non-Executive Director of the Company and was appointed to the Board in January 2021. She is also Chair of the Group's Audit Committee.

Background, experience and skills

Gill is a Chartered Accountant and Chartered Tax Adviser. She also holds the Financial Planning Certificate and is an affiliate member of the Institute of Risk Management. Gill has more than 35 years' experience working in Australia, London and Guernsey, initially qualifying within the 'big four' and then holding several senior leadership positions at Specsavers Optical Group.

Time Commitment: Approximately 3 – 4 days a month.

Stuart joined the Board in April 2014 as an independent Non-Executive Director. He is also Chair of the Group's Risk Committee and a member of both the Nominations Committee and Remuneration Committee. Having served as a Non-Executive Director for nine years, Stuart will be stepping down from the Board at the conclusion of the 2023 Annual General Meeting.

Background, experience and skills

Stuart has extensive IT and change management experience and has spent the last 30 years in the financial markets industry. He is a director of Avenir Limited, which has developed a new and innovative range of post-trade software for securities depositories and share registrars. Stuart's early career was spent in investment analysis, merchant banking and building a global market information business. He followed this with a series of roles at a variety of stock and derivatives exchanges, mostly in IT, clearing, risk management and senior management.

Time Commitment: Approximately 3 – 4 days a month.

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

Background, experience and skills

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

Time Commitment: Full time.

Succession planning

The Nominations Committee considers succession planning on a regular basis and makes recommendations to the Board. The Board benefits from having Directors with a variety of lengths of service and succession is managed as circumstances arise.

Having served on the Board for nine years, Stuart Turner will step down from the Board at the conclusion of the 2023 Annual General Meeting. Guy Coltman has been asked to serve a further three year term and a resolution regarding his re-election is due to be recommended to shareholders at the 2023 Annual General Meeting.

Julia Chapman will be joining the Board as a Non-Executive Director at the end of March 2023. Based in Jersey, Julia's expertise within the corporate services sector and significant experience as a non-executive director will further enhance the skills and experience of the Board as we look to develop and broaden the Group's services over the coming years.

Independence

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

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

Meetings and attendance

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

The Board has four meetings and three interim calls scheduled and supplements these with additional ad hoc calls and meetings as required. An agenda plan is produced prior to the start of each year which ensures that all matters of importance to the Company are considered by the Board and appropriate meeting time is allocated to enable proper debate. The Board held a total of 14 meetings during 2022.

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

	Board	Audit Committee	Nominations Committee	Risk Committee	Remuneration Committee
Anderson Whamond	12	3	7	-	4
Cees Vermaas	14	-	-	-	-
Guy Coltman	12	-	6	4	4
Gill Morris	11	3	-	-	-
Stuart Turner	12	-	6	4	4
Charlie Geffen [1]	3	1	1	-	1
No. of meetings held	**14**	**3**	**7**	**4**	**4**

[1] Resigned from the Board on 12 May 2022

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

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

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

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

Audit Committee
The committee is chaired by Gill Morris, with Nick Bayley (Non-Executive Director, Authority) and Anderson Whamond appointed as members. Charlie Geffen stepped down as a member of the committee on 12 May 2022. The Chief Executive Officer and Chief Financial Officer have standing invitations to attend committee meetings, and do so, but the committee holds at least one meeting with the auditor and without management present.

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

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

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

Risk Committee
The committee is chaired by Stuart Turner, with Nick Bayley, Guy Coltman and Rob Trefny (Non-Executive Chair, Authority) appointed as members. The Chief Executive Officer, Head of Listings and Head of Market Regulation have standing invitations to attend committee meetings and do so.

The committee meets on an at least quarterly basis and reviews the Group's significant risks within the context of the Group's approved strategic objectives and overall risk appetite. During 2022, the committee's activities focused in particular on the Exchange's exposure to Russian entities and individuals, an assessment of the Group's climate-related risks, and preparations for the replacement of the Group's core technology stack. The committee reviews the adequacy and effectiveness of the internal controls and risk management practices implemented by management to effectively identify, assess, manage and control key business and non-financial risks.

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

Nominations Committee
The committee is chaired by Anderson Whamond, with Guy Coltman, Rob Trefny and Stuart Turner appointed as members. Charlie Geffen stepped down as a member of the committee on 12 May 2022. Where appropriate, the Chief Executive Officer and Head of HR are invited to attend committee meetings and do so.

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

During 2022, the committee engaged an external consultancy firm to assist it with the identification and selection of potential candidates as Non-Executive Director.

Remuneration Committee
The committee is chaired by Guy Coltman, with Rob Trefny, Stuart Turner and Anderson Whamond appointed as members. Charlie Geffen stepped down as a member of the committee on 12 May 2022. Where appropriate, the Chief Executive Officer and Head of HR are invited to attend committee meetings and do so.

The committee meets at least twice per year and reviews the remuneration strategy of the Group, including the balance between fixed and performance related, immediate and deferred remuneration, within the context of the Group's strategic objectives and risk appetite. The committee reviews and makes recommendations to the Board on the total compensation package of each of the Group's directors and senior executives.

The committee also makes recommendations to the Board in respect of share awards and, where relevant, associated performance conditions. The committee reviews the level and structure of the remuneration, bonuses and incentives for staff more broadly and oversees any material changes to employee benefits.

No remuneration consultants were engaged during the year.

A resolution to authorise the Board to determine the remuneration of the Directors for 2024 will be proposed at the forthcoming Annual General Meeting.

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

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

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

Principal risks and uncertainties

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

Strategic risks

Global economy – The Exchange's core bond market proposition attracts a diverse range of international companies from across a spectrum of industries. Uncertainty and underperformance in the global economy may lead to reduced demand for listings in our bond market or sectors of our bond market, which could adversely impact the Group's financial and operational performance. During 2022, surging interest rates and concerns about default risk significantly dampened activity in the high yield bond markets whereas the pipeline of private equity and securitisation listings remained robust. In 2023, the macro-economic environment remains far from buoyant and the turbulence in the US and European banking sector has generated further instability.

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

Legal and regulatory changes – The Group operates within a complex and dynamic legislative, regulatory and fiscal environment. Changes to that environment, including in other jurisdictions, could significantly influence the type and volume of new business and could strengthen or erode the Exchange's competitive position. The current uncertainty surrounding the UK's future regulatory environment post-Brexit is both an opportunity and a threat in terms of the Group's strategy. The Qualifying Asset Holding Companies (QAHC) regime, which was introduced in April 2022, has had a limited impact on Quoted Eurobond Exemption (QEE) related bond listings to date.

If the QAHC regime, which currently remains largely unknown and untested by the professional advisory community, is subsequently widely adopted as common practice, this could significantly reduce demand for QEE related bond listings and consequently adversely impact the Group's financial performance.

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

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

The Board monitors ongoing developments and uses scenario stress testing to determine the potential impact on the Group's business model and strategy. The Board continues to focus on expanding the Exchange's product and service offering to both enlarge and diversify the Group's revenue streams and mitigate business concentration risk in the future. Beyond the existing core services, steps are being taken to further diversify revenue streams, including the launch of an innovative and unique offering within the private markets.

Competition – The capital markets landscape continues to evolve quickly, with mainstream exchanges diversifying beyond their traditional business models and smaller exchanges and new entrants (such as digital asset platforms and technology providers) looking for niche opportunities. The Exchange's core bond market proposition operates within a highly competitive environment and is subject to external pressure on products, servicing and pricing.

The Group actively monitors the market and the Board considers the potential impact of any relevant changes on the Group's business model and strategy. The Group is positioned to respond quickly to the changing environment, ensuring that the Exchange remains relevant and competitive, whilst also seeking to identify opportunities to develop new products and markets.

Business risks

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

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

Key personnel – The retention and development of our employees is central to the timely delivery of our strategy. The recruitment markets across the Channels Islands and UK remain tight and highly competitive across a range of skillsets and seniorities. The requirement to recruit senior staff with specific industry expertise from the UK is, and is expected to remain, a practical necessity for a business which is unique in the Channel Islands. The Group currently benefits from management with extensive experience and knowledge of the Exchange's markets, products and clients and a high performing workforce. In line with our corporate values of Responsibility, Curiosity and Connectivity, the sharing of innovative ideas, knowledge and expertise is encouraged throughout the business to develop our staff at every stage of their career. The Group took a number of proactive steps to support staff wellbeing during 2022 and, as a result, has benefited from good levels of staff retention.

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

Corporate Governance Report

The performance of the Group's systems is closely monitored and the Group continues to invest in its technology and control environment to safeguard its systems and data. The Group's major incident response plan is supported by regular testing of controls and compulsory cyber security training.

Climate related risk – Climate change is a growing area of focus for regulators, companies, investors and other stakeholders. Government policies to support the transition to a low carbon economy, and the development of associated disclosure obligations, are emerging at pace and are likely to have a wide-ranging impact on market participants.

The Group's climate related transition risks, both in respect of the market it operates and as a business, are closely connected with other reputational, commercial and compliance risks. During 2022, the Group integrated its key climate related transition risks into the existing risk management framework and carried out an analysis of the exposure of its market to carbon-intensive industries. The Group has recently enrolled on ESI Monitor's FutureTracker programme, providing a framework for the Group to measure, manage and minimise the impact of its business operations on the environment. A data gathering and emissions benchmarking exercise is currently underway and the Group intends to provide reporting on its progress in this area going forward.

Shareholder relations

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

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

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

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

Directors' Report

Directors' report

The Directors submit their annual report and audited consolidated financial statements of The International Stock Exchange Group Limited (the Company or TISEG) and its wholly owned subsidiary The International Stock Exchange Authority Limited (the Subsidiary or Authority) (together the Group) for the year ended 31 December 2022.

Background

The Company was incorporated in Guernsey on 14 November 2013 (Registered No. 57524) and listed on The International Stock Exchange (the Exchange or TISE) on 23 June 2016. The Authority was also incorporated in Guernsey on 14 November 2013 (Registered No. 57527). On 21 April 2022, the Company surrendered its registration in the Isle of Man under the Foreign Companies Act 2014.

Principal activity

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

Results and dividends

The results of the Group for the year are set out on page 37.

Dividends totalling £7,962,620, were paid during the year (2021: £2,256,800). A dividend of 45.0p per share was declared on 24 March 2022 and paid on 25 April 2022. A special dividend of 200.0p per share was declared on 24 March 2022 and paid on 27 June 2022. A further dividend of 37.0p per share was declared on 5 September 2022 and paid on 10 October 2022.

Directors of the Company

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

A A Whamond

G E S Coltman

C S H Geffen (resigned 12 May 2022)

G Y Morris

S R Turner

C Vermaas

A D Watchman (appointed 1 January 2023)

Directors and their interests

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

	31 December 2022			31 December 2021		
	No. of shares	%	Interest	No. of shares	%	Interest
G E S Coltman	246,100	8.66	See below	246,100	8.72	See below
A A Whamond	27,000	0.95	Indirect	25,000	0.89	Indirect
A D Watchman	2,000	0.07	Direct & Indirect	1,000	0.04	Indirect
G Y Morris	1,000	0.04	Indirect	-	-	-

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

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

	31 December 2022			31 December 2021		
	No. of shares	%	Interest	No. of shares	%	Interest
C S H Geffen	-	-	-	12,500	0.44	Indirect

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

	31 December 2022	31 December 2021				
	No. of options	No. of options	Minimum exercise price*	Grant date	First possible exercise date	Expiry date
C Vermaas	25,000	25,000	£10.00	16/12/20	16/12/23	15/12/27
C Vermaas	100,000	100,000	£12.00	16/12/20	16/12/25	15/12/27
C Vermaas	25,000	25,000	£14.00	16/12/20	16/12/25	15/12/27

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

Directors' responsibilities

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

In preparing those financial statements the Directors are required to:

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

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

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

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

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

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

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

Financial statements and audit

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

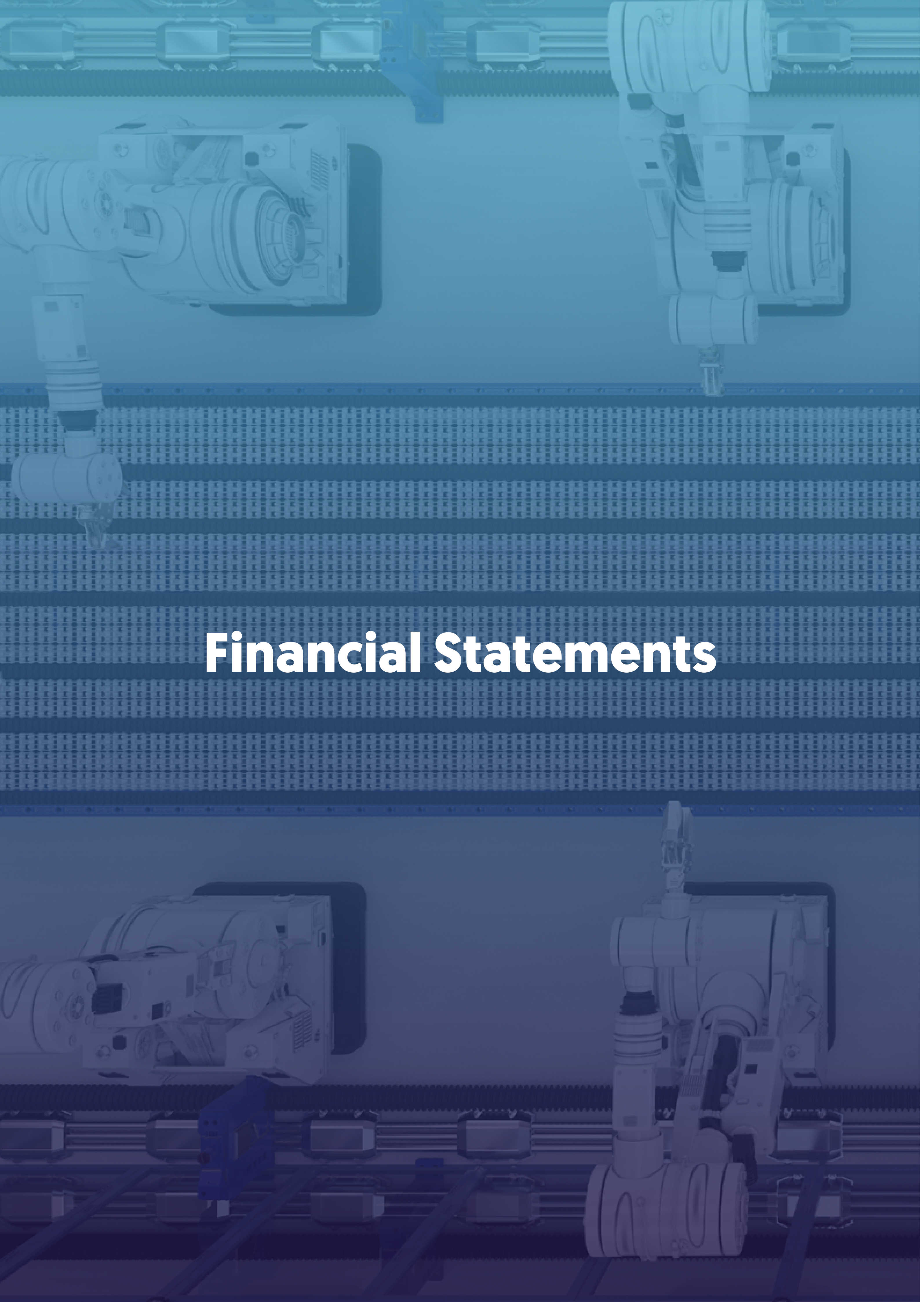
Independent auditor

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

Approved by the Board of Directors on 29 March 2023 and signed on its behalf by:

A Whamond
Director

C Vermaas
Director



Independent Auditor's Report

to the members of The International Stock Exchange Group Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of The International Stock Exchange Group Limited (the "company") and its subsidiaries (together "the group") as at 31 December 2022, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with United Kingdom Accounting Standards comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102")) and have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

What we have audited

- The group's consolidated financial statements comprise:
- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

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Independence

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

Our audit approach

Overview

Audit scope

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

Key audit matters

- Risk of fraud and error in revenue recognition.

Materiality

- Overall group materiality: GBP 212,268 (2021: GBP 245,803) based on 5% of consolidated profit before tax.
- Performance materiality: GBP 159,201 (2021: GBP 184,352.)

The scope of our audit

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

Key audit matters

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

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

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

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

Revenue is derived from multiple service offerings being initial and annual membership fees, initial annual and lifetime listing fees, other listing related fees and other income as disclosed in note 3(e) and note 5 to the consolidated financial statements.

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

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

How our audit addressed the Key audit matter

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

Independent Auditor's Report
to the members of The International Stock Exchange Group Limited

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

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

How we tailored the audit scope

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

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

Materiality

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

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

Overall group materiality	GBP 212,268 (2021: GBP 245,803)
How we determined it	5% of the consolidated profit before tax
Rationale for the materiality benchmark	The group is a profit-oriented operating group with the intention of either reinvesting or distributing profits to shareholders by way of dividends. The financial performance of the group is assessed on profit levels and this can have an impact on the share price performance. Based on this understanding, we believe that consolidated profit before tax is the most appropriate measure for materiality due to this being a key metric for shareholders.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021:75%) of overall materiality, amounting to GBP 159,201 (2021:184,352) for the group financial statements.

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

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above GBP 10,613 (2021:12,290), as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

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

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

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

Responsibilities for the consolidated financial statements and the audit

Responsibilities of the directors for the consolidated financial statements

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

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

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

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

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

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

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

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

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

Independent Auditor's Report
to the members of The International Stock Exchange Group Limited

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

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

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

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

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

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

Use of this report

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

Report on other legal and regulatory requirements

Company Law exception reporting

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

- we have not received all the information and explanations we require for our audit;

- proper accounting records have not been kept; or

- the consolidated financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

N. vd Westhuizen

Nadine van der Westhuizen
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognised Auditor
Guernsey, Channel Islands,
29 March 2023

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Turnover	5	9,977,258	9,954,438
Administrative expenses	6, 7	(5,821,673)	(5,050,944)
Operating profit		**4,155,585**	**4,903,494**
Interest receivable and similar income			
Interest income from financial assets measured at amortised cost	8	80,779	12,391
Income and net gains/(losses) from financial assets measured at fair value through profit or loss	8	24,874	166
Profit on ordinary activities before taxation		**4,261,238**	**4,916,051**
Taxation	9	(140,283)	(165,865)
Profit for the financial year		**4,120,955**	**4,750,186**
Other comprehensive income		-	-
Total comprehensive income for the financial year		**4,120,955**	**4,750,186**
Earnings per share			
Basic	10	145.6p	168.4p
Diluted	10	143.5p	167.4p

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

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

The notes on pages 40 to 62 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

	Notes	31 December 2022 £	31 December 2021 £
Fixed assets			
Intangible assets	11	111,429	130,000
Tangible fixed assets	12	134,916	137,020
		246,345	**267,020**
Current assets			
Debtors	13	1,484,288	1,383,322
Investments	14	6,405,864	9,549,612
Cash and cash equivalents	20(b)	3,853,364	3,881,143
		11,743,516	**14,814,077**
Current liabilities			
Creditors: Amounts falling due within one year	15	(4,247,162)	(3,689,756)
Net current assets		**7,496,354**	**11,124,321**
Total assets less current liabilities		**7,742,699**	**11,391,341**
Non-current liabilities			
Provisions for other liabilities	16	(13,695)	(672)
Net assets		**7,729,004**	**11,390,669**
Capital and reserves			
Share capital	18	1,511,581	1,331,581
Share-based payments reserve	21	139,607	139,607
Retained earnings		6,077,816	9,919,481
Shareholders' equity		**7,729,004**	**11,390,669**

The consolidated financial statements were approved and authorised for issue by the Board on 29th March 2023.

Signed on behalf of the Board of Directors:

A Whamond
Director

C Vermaas
Director

The notes on pages 40 to 62 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Notes	Share capital £	Share-based payments reserve £	Retained earnings £	Shareholders' equity £
At 1 January 2021		**1,331,581**	**139,553**	**7,426,095**	**8,897,229**
Total comprehensive income for the year ended 31 December 2021		-	-	4,750,186	4,750,186
Equity settled share-based payments	21	-	54	-	54
Dividends declared and paid	17	-	-	(2,256,800)	(2,256,800)
At 31 December 2021		**1,331,581**	**139,607**	**9,919,481**	**11,390,669**
At 1 January 2022		**1,331,581**	**139,607**	**9,919,481**	**11,390,669**
Total comprehensive income for the year ended 31 December 2022		-	-	4,120,955	4,120,955
Exercise of options	21	180,000	-	-	180,000
Dividends declared and paid	17		-	(7,962,620)	(7,962,620)
At 31 December 2022		**1,511,581**	**139,607**	**6,077,816**	**7,729,004**

The notes on pages 40 to 62 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Net cash inflow from operating activities	20(a)	4,767,069	5,382,629
Taxation paid		(206,207)	(163,840)
Net cash from operating activities		**4,560,862**	**5,218,789**
Investing activities			
Payments to purchase intangible assets	11	-	(130,000)
Payments to purchase tangible fixed assets	12	(84,754)	(153,521)
Placement of short term deposits/notice accounts		(3,969,997)	(1,010,443)
Proceeds from disposal of short term deposits/notice accounts		3,991,645	-
Purchases of liquidity funds		(1,775,000)	(2,600,000)
Proceeds from disposals of liquidity funds		4,897,100	1,100,000
Interest received		134,985	4,037
Net cash inflow/(outflow) from investing activities		**3,193,979**	**(2,789,927)**
Financing activities			
Issue of ordinary shares		180,000	-
Dividends paid		(7,962,620)	(2,256,800)
Net cash outflow from financing activities		**(7,782,620)**	**(2,256,800)**
(Decrease)/Increase in cash and cash equivalents		**(27,779)**	**172,062**
Cash and cash equivalents at start of the financial year		3,881,143	3,709,081
Cash and cash equivalents at end of the financial year	**20(b)**	**3,853,364**	**3,881,143**

Cash and cash equivalents together with investments (notes 14 and 20b) totalled £10,259,228 as at 31 December 2022 (£13,430,755 as at 31 December 2021).

The notes on pages 40 to 62 form an integral part of these consolidated financial statements.

1. General information

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

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

2. Statement of compliance

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

3. Summary of significant accounting policies

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

(a) Basis of preparation

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

(b) Going concern

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

(c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its sole subsidiary, drawn up to 31 December 2022. The results of the Subsidiary for the year, and for the prior year, have been consolidated. All intra-group transactions, balances, revenues and expenses are eliminated on consolidation. In preparing the consolidated financial statements the Company has elected to produce Group primary statements only, as permitted under section 244 of the Companies Law. The principal activity of the Subsidary is the operation of an investment exchange known as The International Stock Exchange.

(d) Judgements and key sources of estimation uncertainty

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

In particular:

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

3. Summary of significant accounting policies (continued)

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

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

- during the assessment of Going Concern, see Note 3 (b), the Directors needed to consider the ongoing impact of the war in Ukraine, on the performance and viability of the Group's business. In addition to closely monitoring new business and cash flow, management prepared financial projections to stress test the financial resilience of the Group's business. No remedial or mitigating action has thus far proved necessary.

(e) Revenue recognition

Listing application fees are recognised upon receipt of listing applications. Such fees are due upon application and until 1 August 2021 were deemed non-refundable. From 2 August 2021 onwards fees due upon application are refundable until the point when an application is approved to list when they become non-refundable.

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

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

Until 1 August 2021, membership application fees were recognised upon receipt of membership applications. From 2 August 2021 membership application fees are no longer applicable.

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

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

Final Terms Fees are deferred and recorded as deferred income over the expected life of the listing.

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

Interest receivable and similar income is recognised on an accruals basis.

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

(f) Provisions for liabilities and contingencies

i. Provisions

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

ii. Contingencies

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

(g) Employee benefits

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

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

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

The Group provides no post-employment benefits.

(h) Share-based payments

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

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

The Group has no cash-settled arrangements.

(i) Operating leases

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

3. Summary of significant accounting policies (continued)

(j) Intangible assets

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

- Software: 7 years

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

The NOVA trading system has been recorded as an intangible asset of the Group (see note 11 for further detail) following the capitalisation of directly attributable costs required to bring the system to market.

(k) Tangible fixed assets and depreciation

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

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

(l) Investments

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

(m) Cash and cash equivalents

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

(n) Financial instruments

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

i. Financial assets

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

3. Summary of significant accounting policies (continued)

(n) Financial instruments (continued)

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

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

ii. Financial liabilities

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

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

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

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

(o) Share capital

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

(p) Dividends

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

(q) Taxation

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

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

Notes to the Consolidated Financial Statements

4. Significant events

The ongoing events in Ukraine have led to a number of related sanctions and other response measures being imposed on Russia. The Authority carried out a detailed review of the Exchange's exposure to Russian entities and individuals, and the actions taken as a result of this review led to the suspension of six issuers with links to Russia. Subsequent to these suspensions, five of the six issuers delisted from the Exchange over the course of the year (four enforced, one voluntary). The loss of annual fee income associated with this decision was £12,250.

Should the listing of the remaining suspended security be cancelled, the additional loss of annual fees would be £2,750.

5. Operating segment information

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

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

Entity wide disclosure	Year ended 31 December 2022		Year ended 31 December 2021	
	£	£	£	£
Revenue from external customers				
Membership fees				
Annual fees	144,900		225,540	
		144,900		**225,540**
Listing fees				
Initial fees	2,903,759		3,778,325	
Annual fees	5,605,197		4,795,920	
		8,508,956		**8,574,245**
Other Listing related fees		1,297,537		1,123,037
Other income		25,865		31,616
		9,977,258		**9,954,438**

5. Operating segment information (continued)

Geographical analysis	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Membership Fees - Initial and Annual Revenue from Members by domicile		
Guernsey	81,900	113,400
Isle of Man	12,600	18,900
Jersey	50,400	93,240
	144,900	**225,540**

Geographical analysis	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Listing Fees - Initial and Annual Revenue from Issuers by domicile		
Guernsey	284,469	282,722
Ireland	643,614	564,405
Isle of Man	124,311	180,142
Jersey	876,314	807,797
Other	1,554,087	1,709,297
UK	5,026,161	5,029,882
	8,508,956	**8,574,245**

Notes to the Consolidated Financial Statements

5. Operating segment information (continued)

Geographical analysis	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Total Turnover		
Guernsey	413,269	437,462
Ireland	704,364	610,355
Isle of Man	179,961	221,742
Jersey	1,063,964	989,237
Other	1,900,589	2,010,685
UK	5,715,111	5,684,957
	9,977,258	**9,954,438**

Geographical analysis	31 December 2022 £	31 December 2021 £
Non-Current Assets Tangible Assets by location		
Guernsey	134,916	136,459
Isle of Man	-	205
Jersey	-	355
	134,916	**137,019**

6. Staff costs

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Administrative expenses includes staff costs as follows:		
Salaries, including bonus payments	2,900,003	2,747,372
Social security costs	188,208	176,927
Payments to employees' personal pension arrangements	-	117,384
Payments to defined contribution pension scheme	189,133	-
Health insurance	71,504	74,936
Life insurance	5,889	7,152
Equity-settled share based payments	-	54
Other employee benefits	37,010	30,511
	3,391,747	**3,154,336**

7. Auditor's remuneration

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Fees payable to the Company's auditor for the audit of:		
The Group's consolidated financial statements	24,820	23,050
The Subsidiary's stand-alone financial statements	41,295	36,875
	66,115	**59,925**

Notes to the Consolidated Financial Statements

8. Interest receivable and similar income

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Interest from financial assets measured at amortised cost:		
Cash and cash equivalents	83	27
Term deposits and notice accounts with term or notice of more than three months'	80,696	12,364
Total interest from financial assets measured at amortised cost	**80,779**	**12,391**
Income and net gains/(losses) from financial assets measured at fair value through profit or loss:		
Dividends from liquidity funds	24,874	166
Total income and net gains/(losses) from financial assets measured at fair value through profit or loss	**24,874**	**166**
Total interest receivable and similar income	**105,653**	**12,557**

9. Taxation

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

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

The Jersey branch of the Company is subject to taxation in Jersey at the standard corporate rate of 0%. On 21 April 2022 the Company surrendered its registration in the Isle of Man under the Foreign Companies Act 2014. The Isle of Man branch of the Company was subject to the Manx standard rate of 0%.

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

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Profit on ordinary activities before taxation	4,261,238	4,916,051
Profit taxable at the standard rate of income tax of 0%	2,858,413	3,257,400
Profit taxable at the company intermediate rate of 10%	1,402,826	1,658,651
Profit on ordinary activities multiplied by the company standard rate of income tax in Guernsey of 0% (2021: 0%)	-	-
Effects of: Profits taxable at 10% in Guernsey	140,283	165,865
Total tax charge for the year	**140,283**	**165,865**

10. Earnings per share

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

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

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

There were 205,000 dilutive share options in issue at the end of 2022 (2021: 125,000)

10. Earnings per share (continued)

Details of the earnings per share calculations are as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
Basic		
Basic weighted average of shares outstanding	2,831,247	2,821,000
Net profit attributable to Ordinary shareholders	4,120,955	£4,750,186
Basic earnings per share	**145.6p**	**168.4p**
Diluted		
Potential Ordinary shares outstanding during the year:		
Dilutive share options in issue throughout the year	125,000	-
Non-dilutive share options in issue at the start of the year	125,000	200,000
Dilutive share options issued during the year	-	50,000
Dilutive share options in issue at the end of the year	205,000	125,000
Non-dilutive share options in issue at end of year	25,000	125,000
Potential proceeds from dilutive share options	2,176,250	1,156,250
Average market share price for the year	1343p	1091p
Shares deemed repurchased	162,087	105,981
Shares deemed issued for no consideration	42,913	19,019
Weighted number of shares deemed issued for no consideration	42,913	16,981
Diluted weighted average shares outstanding	2,872,215	2,837,981
Net profit attributable to Ordinary shareholders	4,120,955	£4,750,186
Diluted earnings per share	**143.5p**	**167.4p**

The non-dilutive share options in issue have an exercise price of £14 per share.

11. Intangible fixed assets

	Intangible Assets
	£
Cost:	
At 1 January 2021	-
Additions	130,000
At 31 December 2021	**130,000**
Additions	-
At 31 December 2022	**130,000**
Amortisation:	
At 1 January 2021	-
Charge for the year ended	-
At 31 December 2021	**-**
Charge for the year ended 31 December 2022	18,571
At 31 December 2022	**18,571**
Carrying amount:	
At 31 December 2021	130,000
At 31 December 2022	**111,429**

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

Notes to the Consolidated Financial Statements

12. Tangible fixed assets

	Office premises improvements	Furniture, fixtures and fittings	Computer equipment and software	Total
	£	£	£	£
Cost:				
At 1 January 2021	81,334	24,408	83,095	188,837
Additions	49,265	57,991	46,265	153,521
Written down	(81,334)	(4,167)	(9,080)	(94,581)
At 31 December 2021	**49,265**	**78,232**	**120,280**	**247,777**
Additions	13,432	2,065	69,257	84,754
Written down	-	(1,650)	(37,027)	(38,677)
At 31 December 2022	**62,697**	**78,647**	**152,510**	**293,854**
Depreciation:				
At 1 January 2021	64,075	11,483	45,955	121,513
Charge for the year ended 31 December 2021	17,655	26,077	40,093	83,825
Written down	(81,334)	(4,167)	(9,080)	(94,581)
At 31 December 2021	**396**	**33,393**	**76,968**	**110,757**
Charge for the year ended 31 December 2022	9,636	26,215	51,007	86,858
Written down	-	(1,650)	(37,027)	(38,677)
At 31 December 2022	**10,032**	**57,958**	**90,948**	**158,938**
Carrying amount:				
At 31 December 2021	48,869	44,839	43,312	137,020
At 31 December 2022	**52,665**	**20,689**	**61,562**	**134,916**

13. Debtors

	31 December 2022 £	31 December 2021 £
Trade debtors	1,176,746	1,164,071
Corporate taxation	38,820	-
Other debtors	3,633	5,365
Prepayments	232,055	210,183
Accrued income	33,034	3,703
	1,484,288	**1,383,322**

Trade debtors include no amounts falling due after more than one year. Trade debtors as at 31 December 2022 of £1,176,746 is after an impairment provision of £90,907. Trade debtors as at 31 December 2021 of £1,164,071 is after an impairment provision of £108,390. In line with FRS 102 the impairment provision is arrived at allowing for the ageing of outstanding invoices.

14. Investments

	31 December 2022 £	31 December 2021 £
Investments at fair value through profit or loss:		
Liquidity funds	2,452,292	5,574,392
Investments at amortised cost:		
Short-term deposits/notice accounts with maturity at date of acquisition of over 90 days and no more than 365 days	3,953,572	3,975,220
	6,405,864	**9,549,612**

A special dividend of £5,642,000 was paid in June 2022 resulting in a decrease in investments and cash equivalents.

15. Creditors: Amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Deferred income	3,793,643	3,114,416
Payments on account from issuers	112,513	92,310
Trade creditors and accruals	284,882	297,513
Corporate taxation	-	27,104
Other creditors	56,124	158,413
	4,247,162	**3,689,756**

16. Provisions for other liabilities

Dilapidations provision	£
At 1 January 2021	**11,844**
Addition to provision	1,648
Release of old provision	(13,492)
Addition to current provision	672
At 31 December 2021	**672**
Addition to provision	13,023
At 31 December 2022	**13,695**

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

The dilapidations provision relates to the obligation to make good at the end of the lease the fitting out of the leased offices at Helvetia Court, South Esplanade, St Peter Port, Guernsey. Subsequent to the fitting out in 2021, the Company reassessed the provision required by the end of the full term lease as being £83,400. The provision as at 31 December 2022 is £13,695 (2021: £672).

17. Dividends paid

	31 December 2022 £	31 December 2021 £
Dividends paid	7,962,620	2,256,800

Dividends declared by the Board are recognised upon payment.

On 24 March 2021 the Board declared a dividend of 35.0p per £1 Ordinary share (£987,350) paid on 26 April 2021.
On 6 September 2021 the Board declared a dividend of 45.0p per £1 Ordinary share (£1,269,450) paid on 11 October 2021.
On 24 March 2022 the Board declared a dividend of 45.0p per £1 Ordinary share (£1,269,450) paid on 25 April 2022.
On 24 March 2022 the Board declared a dividend of 200.0p per £1 Ordinary share (£5,642,000) paid on 27 June 2022.
On 5 September 2022 the Board declared a dividend of 37.0p per £1 Ordinary share (£1,051,170) paid on 10 October 2022.

18. Share capital

	Non-Participating Share		Ordinary Shares	
	£	Number	£	Number
Authorised				
As at 1 January 2021	1	1	5,000,000	5,000,000
As at 31 December 2021	1	1	5,000,000	5,000,000
As at 31 December 2022	1	1	5,000,000	5,000,000
Allotted, called up and fully paid				
As at 1 January 2021	1	1	1,331,580	2,821,000
As at 31 December 2021	1	1	1,331,580	2,821,000
Exercise of options	-	-	180,000	20,000
As at 31 December 2022	1	1	1,511,580	2,841,000

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

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

19. Financial instruments

	Notes	31 December 2022 £	31 December 2021 £
Financial assets at fair value through profit or loss:			
Liquidity funds	14	**2,452,292**	**5,574,392**
Financial assets measured at amortised cost:			
Trade debtors	13	1,176,746	1,164,071
Other debtors	13	3,633	5,365
Term deposits and notice accounts with term or notice of more than three months	14	3,953,572	3,975,220
Term deposits and notice accounts with term or notice of three months or less	20(b)	2,514,150	2,228,302
		7,648,101	**7,372,958**
Financial liabilities measured at amortised cost:			
Deferred income	15	3,793,643	3,114,416
Payments on account from issuers	15	112,513	92,310
Trade creditors and accruals	15	284,882	297,513
Corporate taxation	15	-	27,104
Other creditors	15	56,124	158,413
Provisions for other liabilities	16	13,695	672
		4,260,857	**3,690,428**

Financial assets held at fair value through profit or loss are valued based on quoted market prices in an active market.

Investments in liquidity funds carried at fair value involve credit risk, liquidity risk, and market risk. Credit risk is limited with exposure spread across a number of funds. A Group approved list of counterparties is maintained and individual counterparty limits set by the Board. The credit rating of each fund is investment grade and the portfolio is subject to oversight by the appointed investment manager. Liquidity risk exposure is in terms of the ability to realise the investments in a timely fashion.

There is an active market in the approved funds which are of short term duration. Market risk exposure is in terms of price volatility of the liquidity funds themselves and of the underlying short duration financial instrument held by such funds.

The liquidity funds and underlying short duration financial instruments represent an asset class that does not ordinarily experience extreme price variation.

20. Notes to the Statement of Cash Flows

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

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Profit on ordinary activities before taxation		4,261,238	4,916,051
Adjustments to reconcile profit for the period to net cash flow from operating activities:			
Equity settled share based payments	21	-	54
Amortisation of intangible assets		18,571	-
Depreciation of tangible assets	12	86,858	83,825
Provision for other liabilities	16	13,023	(11,172)
Interest received		(134,985)	(4,033)
Working capital movements:			
(Increase)/Decrease in debtors		(62,146)	(409,542)
Increase /(Decrease) in creditors		584,510	807,446
Net cash inflow from operating activities		**4,767,069**	**5,382,629**

(b) Cash and cash equivalents

	31 December 2022 £	31 December 2021 £
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	1,339,214	1,652,841
Short-term deposits/notice accounts with maturity at date of acquisition of 90 days or less	2,514,150	2,228,302
	3,853,364	**3,881,143**

21. Equity-settled share option scheme

Equity-settled share option scheme

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

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

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

Number of options

Exercise price	£9	£9.125	£10	£12	£14	Total
Outstanding as at 1 January 2021	-	50,000	25,000	100,000	25,000	**200,000**
Granted during the year ended 31 December 2021	50,000	-	-	-	-	**50,000**
Exercised during the year ended 31 December 2021	-	-	-	-	-	**-**
Outstanding as at 31 December 2021	**50,000**	**50,000**	**25,000**	**100,000**	**25,000**	**250,000**
Exercised during the year ended 31 December 2022	(20,000)	-	-	-	-	**(20,000)**
Outstanding as at 31 December 2022	**30,000**	**50,000**	**25,000**	**100,000**	**25,000**	**230,000**

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

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

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

21. Share based payments (continued)

The Directors arrived at the value for the share options granted with reference to the internationally recognised Black Scholes option pricing model. There were no share options granted during 2022 and therefore the Group has not recognised any charge to the consolidated statement of comprehensive income or corresponding increase in equity (2021: £54).

During the period ended 31 December 2022 options over 20,000 Ordinary shares were exercised for a consideration of £180,000. The total number of Ordinary shares in issue at 31 December 2022 is 2,841,000 (31 December 2021: 2,821,000).

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

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

22. Related parties

During the year and the prior year the Group entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and all trading balances outstanding at 31 December 2022 and at 31 December 2021, were as follows:

i. Entities with significant influence over the Group

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Turnover		
Membership fees	-	6,300
Dividend payments	694,002	196,880

Listing member, Carey Olsen Corporate Finance Limited (COCFL), holds 8.66% (2021: 8.72%) of the issued share capital of the Company.

COFCL was not eligible to pay an annual membership fee in 2022 (2021: £6,300).

Director G E S Coltman is a corporate partner of Carey Olsen's Jersey practice and received total remuneration of £40,000 (2021: £40,000) for the year.

(a) Terms and conditions of transactions with related parties

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

22. Related parties (continued)

(b) Key management personnel

All Directors of the Company, as well as all the Directors of the Subsidiary, are considered to be key management personnel during their term of appointment. The compensation recognised for the year in respect of key management totalled £1,085,141 (2021: £1,001,981).

At 31 December 2022, Directors of the Subidiary held 80,000 share options in the Company (2021: 100,000 share options). The interests of the Directors of the Company in the share capital of the Company is disclosed in the Directors' Report on page 28.

In addition to the dividends received by entities controlled by key management reported above, key management received dividends, during their period of appointment, totalling £74,570 in 2022 (2021: £30,000).

On 22 August 2022, the Company entered into an agreement with Avenir Technology Limited (ATL) to develop the technology solution for TISE Private Markets. This is in addition to the agreement with ATL for the provision of NOVA, the auction trading system for the Exchange's public market. Stuart Turner, a Director of the Company, is also a Director of ATL and holds a non-controlling interest in ATL. ATL is not deemed to be an associate (as defined in the Listing Rules) of Stuart Turner and is therefore not a related party of the Company. During 2022 the Company paid ATL a total of £110,993 (£90,000 for TISE Private Markets and £20,993 for NOVA), 2021: £143,580, (£130,000 for NOVA, note 11 and £13,580 for NOVA consultancy fees).

(c) Changes in Directors' interests in the Company

During 2022 there were the following changes to Directors' interests:

Anderson Whamond was appointed Interim Chair of the Company with effect from 12 May 2022 replacing Charlie Geffen who stepped down from the role of chair. On 5 September 2022, Anderson Whamond was appointed as Chair of the Company on a permanent basis.

On 25 May 2022, a former Director of the Subsidiary gave notice in relation to the exercise of share options over 10,000 Ordinary shares in the Company, with an exercise price of £9.00 per share. The shares were issued by the Company on 27 June 2022.

On 8 June 2022, Charlie Geffen, former Chair and Non-Executive Director of the Company sold 12,500 Ordinary shares in the Company.

On 13 July 2022, a former Director of the Subsidiary sold 10,000 Ordinary shares in the Company.

On 14 July 2022, Gill Morris, a Non-Executive Director of the Company, purchased 1,000 Ordinary shares in the Company.

On 28 July 2022, a former Director of the Subsidiary gave notice in relation to the exercise of share options over 10,000 Ordinary shares in the Company, with an exercise price of £9.00 per share. The shares were issued by the Company on 6 September 2022.

On 2 November 2022, a former Director of the Subsidiary sold 5,000 Ordinary shares in the Company.

On 9 November 2022, a former Director of the Subsidiary sold 3,000 Ordinary shares in the Company.

On 17 November 2022, a former Director of the Subsidiary sold 2,000 Ordinary shares in the Company.

On 17 November 2022, Anderson Whamond, Non-Executive Chair of the Company, purchased 2,000 Ordinary shares in the Company.

23. Controlling party

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

24. Operating leases

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

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

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

On 3 August 2022 the Company renewed its serviced offices licence in relation to an office at Forum 3, Grenville Street, St Helier, Jersey for a 12 month period. The notice period under the terms of the lease is 3 months.

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

Payments due	31 December 2022 £	31 December 2021 £
Not later than 1 year	204,272	197,945
Later than 1 year and not later than 5 years	762,576	744,854
Later than 5 years	83,332	267,624
	1,050,180	**1,210,423**

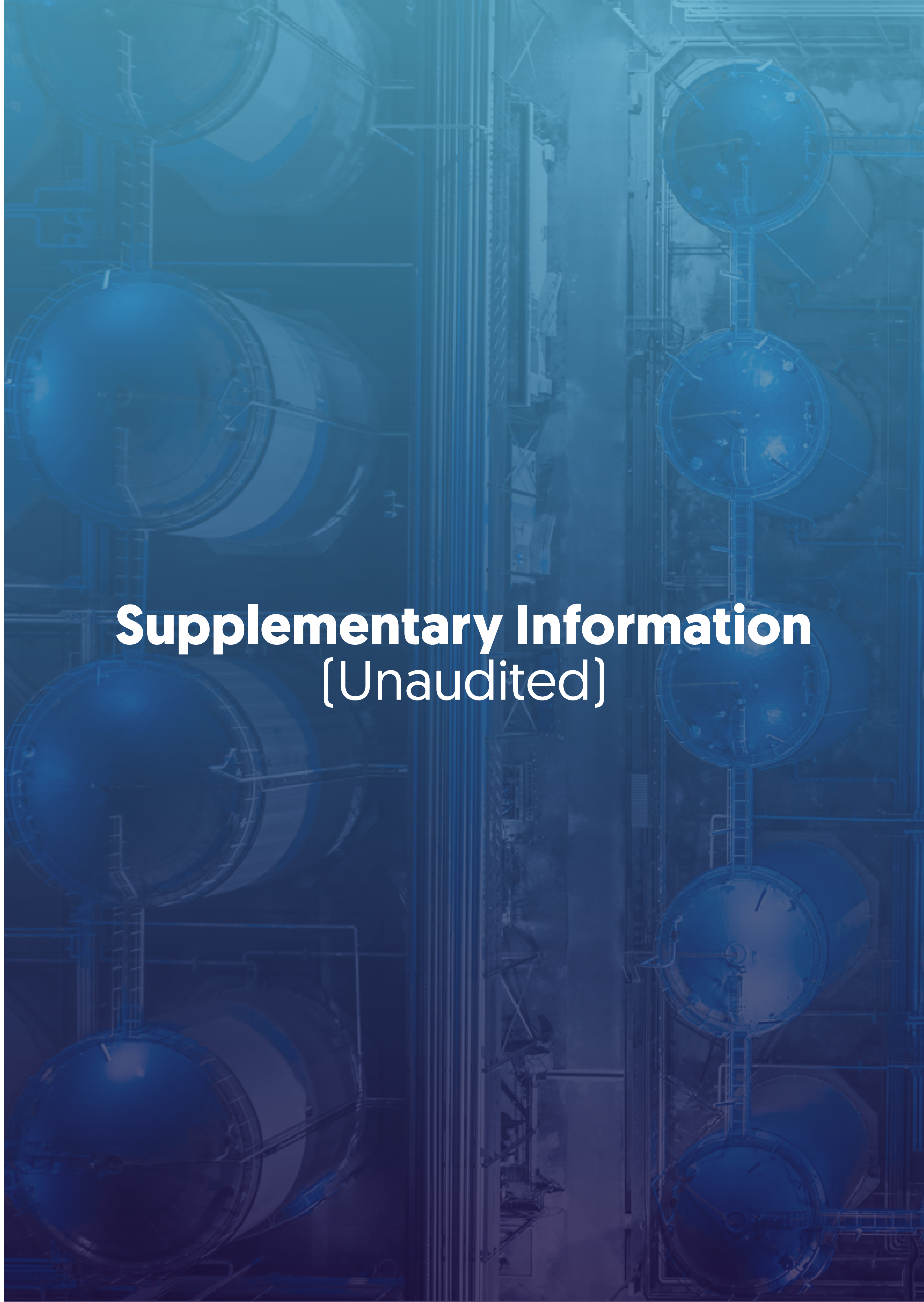
The Group recognised operating lease charges totalling £110,304 for the year (2021: £199,833)

25. Events after the reporting period

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

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

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



Corporate Information

Directors:

A A Whamond (Chair) (appointed 5 September 2022)
C S H Geffen (Chair) (resigned 12 May 2022)
G E S Coltman
G Y Morris
S R Turner
C Vermaas (Chief Executive Officer)
A D Watchman (appointed 1 January 2023)

Secretary:

E A C Humphry

Registered office:

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

Registered number:

57524

Independent auditor:

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

Financial adviser:

Investec Bank plc
30 Gresham Street
London
EC2V 7QP

Listing sponsor:

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

Registrar:

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

Summary Financial Information

Consolidated Statement of Comprehensive Income (Unaudited)

	Year ended 31 December 2022 £ '000	Year ended 31 December 2021 £ '000	Year ended 31 December 2020 £ '000
Turnover	9,977	9,954	8,362
Administrative expenses	(5,822)	(5,051)	(4,593)
Operating profit	**4,155**	**4,903**	**3,769**
Interest receivable/payable	106	13	31
Profit on ordinary activities before taxation	**4,261**	**4,916**	**3,800**
Taxation	(140)	(166)	(179)
Profit for the financial year	**4,121**	**4,750**	**3,621**
Other comprehensive income	-	-	-
Total comprehensive income for the financial year	**4,121**	**4,750**	**3,621**

Consolidated Statement of Financial Position (Unaudited)

	31 December 2022 £ '000	31 December 2021 £ '000	31 December 2020 £ '000
Intangible assets	**111**	**130**	**-**
Fixed assets	**135**	**137**	**67**
Current assets	**11,744**	**14,815**	**11,722**
Current liabilities	**(4,247)**	**(3,690)**	**(2,880)**
Net current assets	**7,497**	**11,125**	**8,842**
Total assets less current liabilities	**7,743**	**11,392**	**8,909**
Provisions for other liabilities	**(14)**	**(1)**	**(12)**
Net assets	**7,729**	**11,391**	**8,897**
Shareholders' equity	**7,729**	**11,391**	**8,897**

TISE 25

Celebrating our 25th anniversary year

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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