XPS Group

Delivering sustainable growth

XPS Pensions Group plc
Annual Report and
Accounts 2026

Contents

Strategic report

Highlights	2
At a glance	4
Investment case	5
Business model	6
Markets overview	8
Our strategy	10
Co-Chief Executives' review	12
Sustainability	16
Non-financial and sustainability information statement	36
Chief Financial Officer's review	37
Principal risks and uncertainties	43
Viability statement	51

Governance

Chair's introduction	52
Board of Directors	54
Board and Committee composition and operation	56
Stakeholder engagement	60
Nomination Committee	62
Audit & Risk Committee	65
Sustainability Committee	68
Directors' remuneration report	70
Annual report on remuneration	84
Directors' report	94
Directors' responsibility statement	98

Financial statements

Independent auditor's report	99
Consolidated statement of comprehensive income	108
Consolidated statement of financial position	109
Consolidated statement of changes in equity	110
Consolidated statement of cash flows	111
Notes to the consolidated financial statements	112
Statement of financial position – Company	144
Statement of changes in equity – Company	145
Statement of cash flows – Company	146
Notes to the financial statements – Company	147
Company information	151

Delivering sustainable growth

Who we are

XPS is a leading UK consulting and administration business specialising in the pensions sector and providing wider ranging support to insurance companies in the life and bulk annuities sector.

A forward-looking, ambitious business

Why we exist

Our purpose

We exist to shape and support pension schemes and other institutions that provide long-term financial security to people, for the benefit of society, and at the same time achieve profitable growth.

What we want to achieve

Our vision

We will constantly challenge the status quo to drive better outcomes for members and policyholders, offering our people exciting and rewarding careers.

What drives us

Our mission

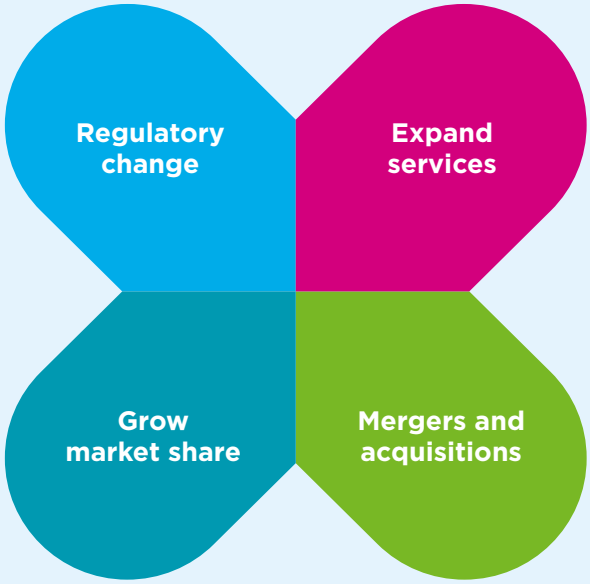
We strive to be leaders in consulting and administration with brilliant people and leading technology enabling pension schemes, insurers and other financial institutions to deliver better outcomes for their members and policyholders. Our ambition is to be the best employer in our market, recognising that our people are at the heart of what we do and are critical to our future success.

Our strategy

Our purpose-driven strategy is centred on our four strategic priorities whilst delivering long-term, sustainable returns and creating value for our shareholders.

Read more on pages 10 and 11

Our strategic priorities



Our resources

Our people
Experts in their fields, our people drive the business. They're the innovators, the problem-solvers, the forward-thinkers, and that's why we invest in them.

Our culture
Values driven, employee centric, inclusive, friendly, meritocratic – our culture empowers our business.

Our technology
We invest in technology to deliver our services efficiently and to bring clarity and understanding to the complex problems we help to solve.

Our financial strength
We are consistently profitable with the financial resources to invest in the development of services to anticipate client needs.

Our sustainability framework

Our sustainability framework has the mission to "shape a better future". With clear ambitions for each of its priority areas, the framework supports our corporate priorities with the ultimate aim to ensure that sustainability is embedded in our business model, products and services.

Read more on page 24

Highlights

Financial

Revenue

+13%

Proposed full-year dividend

+11%

Adjusted EBITDA[1]

+9%

Net debt/adjusted EBITDA[4]

+12%

Adjusted diluted earnings per share[2]

+8%

Profit before tax

-5%

FTE employees[3]

+6%

Basic earnings per share

-12%

1 Adjusted EBITDA excludes the impact of exceptional and non-trading items (see note 5 in the financial statements). See table 1 in the appendix to the Chief Financial Officer's Review for more detail.

2 Adjusted diluted earnings per share is based on adjusted profit after tax, which excludes the impact of exceptional and non-trading items and the tax impact of these items (see note 5 in the financial statements). Also see table 3 in the appendix to the Chief Financial Officer's Review.

3 As at year end.

4 For banking covenant purposes, net debt is the drawn revolving credit facility less cash held. This includes any amount owed as contingent consideration, but excludes lease liabilities.

Operational

Number of transactions for which we provided risk transfer advice

37

2025: 32

Number of schemes that we advise with over £1bn of assets

86

2025: 86

Members under administration

1.2m

2025: 1.2m

High eNPS score for the second year in a row

+32 eNPS

2025: +24 eNPS

Continuing investment in software assets to drive operational efficiencies and improve customer experience

£7.5m

2025: £6.3m

Sustainability

Senior management positions held by women

39%

Number of clients in Sustainable funds

48

Electricity sourced from no carbon sources

100%

At a glance

Welcome to XPS Group

What we do

XPS Group is a leading UK consulting and administration business specialising in the pensions sector and providing wider ranging support to insurance companies in the life and bulk annuities sector. We have benefits of scale – we have a breadth of experience to draw on and can invest in solutions for the benefit of our clients – yet we remain agile, able to respond quickly as the world around our clients shifts.

Our services

Advisory

We help make sure there is enough money in schemes

Pensions

We provide pragmatic advice that addresses the specific and often complex challenges faced by UK pension schemes and their corporate sponsors.

xpsgroup.com/what-we-do/pensions-advisory/

Insurance

We provide consulting services that are strategically designed to help life and annuity insurance clients navigate market disruption and stay ahead of evolving regulations.

xpsgroup.com/what-we-do/insurance-consulting/

Investment

We provide clear and independent investment advice which we help clients implement quickly and effectively.

xpsgroup.com/what-we-do/investment-consulting/

Administration

We keep all the records, communicate with members and pay the pensions

Administration

Our award-winning pensions administration service puts scheme members at the heart of everything we do.

xpsgroup.com/what-we-do/ administration/

Self Invested Pensions

We have specialised in self-invested pensions for more than 45 years

Self Invested Pensions

XPS Self Invested Pensions is an award-winning SIPP and SSAS pension provider, trustee and administrator, which has specialised in self invested pensions for more than 45 years.

xpsselfinvestedpensions.com

The foundations of a thriving business

15

UK locations

Our 15 locations give us access to employees, expertise and clients across the UK.

2,100+

Employees

Our 2,100+ employees have market-leading experience and knowledge and pride themselves on the highest delivery standards to solve our clients' needs.

1,300+

Clients

We build strong relationships with our clients, which lead to repeat business and opportunities to cross-sell.

Investment case

Why invest in XPS Group?

Diversified and stable client base

We have long-standing relationships with a large and diverse client base, consisting of over 1,300 clients. We have a strong brand and have won multiple industry awards for our client service.

Read more on pages 12 to 15

1,300+
clients
Top ten clients represent 20% of revenue

Benefit from regulatory and market change

There are c.£1 trillion of liabilities of private UK defined benefit pension schemes and a rapidly growing defined contribution market. Regulatory developments are driving increased client activity and demand for our services.

Read more on pages 8 and 9

>£2.5bn
size of annual fee market

Track record of profitable revenue growth

XPS has delivered year on year profitable revenue growth, through a range of macroeconomic conditions, since listing on the London Stock Exchange.

Read more on pages 37 to 42

14%
five-year revenue CAGR

Trusted expertise and highly engaged colleagues

The outstanding expertise and client service focus of our colleagues are widely relied upon and highly valued by our clients. We have high client satisfaction scores and our people think XPS is a great place to work.

Read more on pages 18 to 21

90%
of our people
think XPS is a great place to work

Non-cyclical and recurring revenues with inflation linkage

Our services are typically provided on the basis of an open-ended engagement with clients and are compliance driven to a statutory timetable. They are, therefore, required in all parts of the economic cycle. We have a high degree of visibility of our revenue.

Read more on pages 8 and 9

c.90%
repeat recurring revenue
across the business

Strong cash conversion and growing dividends

XPS has a robust balance sheet, consistently high cash conversion and a progressive dividend policy. Since listing in 2017, £138 million has been paid in dividends.

Read more on pages 37 to 42

91%
operating cash flow conversion

Opportunities for earnings enhancing M&A and scale up

We have a proven track record of successful earnings enhancing M&A which demonstrates our ability to execute deals that are aligned to our corporate strategy.

Read more on pages 11

7
acquisitions
since listing in 2017

Business model

Delivering strong and stable growth

XPS Group's unique proposition is its ability to add value across its business. Our people, culture, technology and financial strength make this possible.

Our resources

Our people

Experts in their fields, our people drive the business. They're the innovators, the problem-solvers, the forward-thinkers, and that's why we invest in them.

Our culture

Values driven, employee centric, inclusive, friendly, meritocratic – our culture empowers our business.

Our technology

We invest in technology to deliver our services efficiently and to bring clarity and understanding to the complex problems we help to solve.

Our financial strength

We are consistently profitable with the financial resources to invest in the development of services to anticipate client needs.

Our competitive advantage

Specialist insight and expertise: Our team of experts brings deep knowledge and experience to the table.

Exceptional quality service and tailored solutions: We pride ourselves on delivering a quality service.

Our culture: Our culture and values guide us in everything we do.

Diverse client base: XPS serves a diverse range of clients, including large corporate schemes, public sector funds, smaller pension arrangements and other financial institutions.

Strong brand: Our strong award-winning brand sets us apart from our competitors and communicates our values and brand promise.

How we create value

Advisory

Offering consultancy services on various aspects of pension schemes, advising clients on investment strategies for their pension funds and also providing a wider range of support services to insurance companies in the life and bulk annuities sector.

Read more on pages 14 and 15

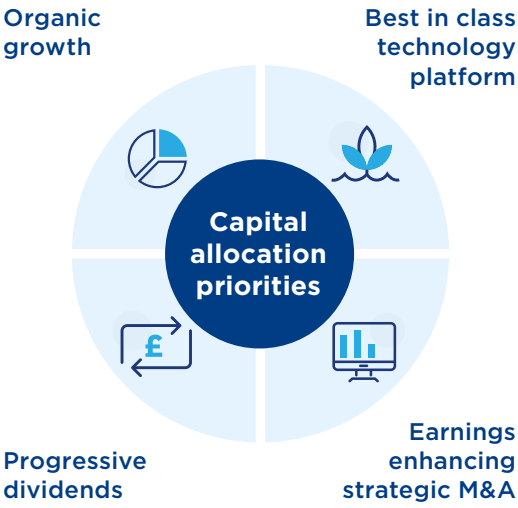
Administration

Managing the day-to-day operations of pension schemes, including member data, contributions, benefit calculations and communication with members.

Read more on page 15

Capital allocation priorities

Effective capital allocation is crucial for sustained growth and competitiveness. It plays a vital role in shaping the firm's overall strategy and ensuring long-term success.



Value for all stakeholders

Clients

- Specialist insight and expertise leading to better outcomes for all stakeholders
- High-quality service and tailored solutions
- Value for money

Read more on pages 24 and 25

1,300+
clients

Our people

- Stimulating working environment and attractive career prospects
- First-class training and support towards professional qualifications
- Competitive remuneration and benefits

Read more on pages 18 to 21

+32
employee Net Promoter Score

Shareholders

- Track record of growing revenues, profits and dividends – more than £138 million paid in dividends since listing in 2017
- Non-cyclical demand for services
- Highly predictable revenues
- Strong cash generation

Read more on pages 12 to 15

11%
growth in dividends in FY 2026

Community and environment

- Positive impact on communities through supporting local and national charities
- Open and fair relationships with regulators and suppliers through regular engagement

Read more on pages 22 and 23 and 27 to 35

81%
of offices supplied with renewable energy as at 31 March 2026 with commitment for 100% by 2030

Markets overview

Large addressable markets for our services

Our end markets are large. We estimate that the fee market for services required by pension scheme trustees and employers to be around £3bn pa. The Group's addressable market now extends to insurers and other institutions, including participants in the bulk annuities market and providers of long-term financial protection, with an addressable fee market of an additional £1.5bn.

Markets for all seasons

Our end markets have built-in protection against the economic cycle and inflation.

Protection against the economic cycle

The UK pensions consulting and administration market operates largely independently of the wider economy. Members still need to be paid the correct amount on time, regardless of prevailing economic conditions. In addition, scheme funding and strategy require regular monitoring to ensure obligations to members continue to be met. Pension schemes require advice and solutions throughout the economic cycle, including when the wider economy is facing challenges.

Protection against inflation

Across our markets, contracts and fees are typically linked to inflation. For work done on the basis of a retainer, client contracts typically include annual price increases aligned to an inflationary measure. As a result, pricing in the UK pensions fee market has historically tracked at least the rate of inflation, equating to an annual growth rate of 3–4%. In recent years, market growth has exceeded this long-term growth rate for two main reasons: inflation has been (much) higher and increased activity volumes.

Structural growth

Our markets do not merely track inflation; they also benefit from structural drivers which drive increased activity volumes. These can be split into two categories: regulatory growth and growth from financial market changes.

Regulatory growth

To ensure members and the benefits they are due remain protected at all times, pension schemes operate in a highly regulated yet constantly evolving environment. New rules and guidance are regularly drawn up and implemented, and every time this happens, new advice and solutions are required.

New regulation passed

▼

Regulatory landscape changes

▼

Tailored advice is required by trustees and sponsors on how the rules affect their schemes and what action should be taken

▼

New multi-year demand stream for XPS's services is generated

In recent years, a series of new regulations has been passed including:

- the Pension Schemes Act of 2021;
- the Pension Schemes Act of 2026;
- the GMP equalisation ruling;
- the CMA review of the investment market; and
- a recent new funding code for defined benefit schemes.

Each of the above has given rise to incremental growth within existing revenue streams. More regulations in the future are inevitable; we expect new rules on the release of surplus from defined benefit schemes to come into force in the first half of 2027.

Growth from financial market changes

Financial market developments have the same effect as new regulations: clients need to navigate the change and so new demand for our services is generated.

A number of key market developments are generating demand for our services. These include the shift from a low-to-higher-interest/inflationary rate environment, the growing overlap between the pension scheme and insurance markets, and growth in the defined contribution (DC) market.

Market development

▼

Change in financial circumstances for schemes

▼

Tailored advice required by trustees and sponsors on how the shift in financial markets affects their schemes and what action should be taken

▼

New multi-year demand stream for XPS's services is generated

1 The shift from a low-to-higher-interest/inflationary rate environment

What does this mean for pension schemes?

The shift in the interest rate environment has led to a material improvement in the financial circumstances of many schemes in recent years. The near-zero interest rate regime that previously prevailed had led to many schemes falling into large deficits, meaning the value of their respective liabilities (what they owe to members) became far larger than the value of their respective assets (what the schemes own). Today's higher interest rates have led to deficits being sharply reduced and, in many cases, replaced by surpluses.

How is XPS positioned?

Trustees and corporate sponsors require advice on what to do with this improved financial position. We provide that advice and help put in place strategies that are suitable for individual schemes, whether this is de-risking to lock in the improved financial position, run-on-for-surplus (potentially enabling excess funds to be returned to the sponsor or used to improve member benefits), or accessing solutions in the bulk annuity market. We have deep expertise in designing and implementing all of the strategic options available.

2 The growing overlap between the pension scheme and insurance industries

What is behind the overlap?

Many defined benefit pension schemes are electing to de-risk by transferring their responsibilities to insurance companies via the bulk annuities market. In FY 2026, there were 350 deals in the UK bulk annuity market worth a combined £38 billion. This represents a small fraction of the estimated £1.2 trillion liabilities still outstanding within the private sector pension market. Further growth in the bulk annuity market is therefore expected for many years to come and as a result, the overlap between the pension scheme and insurance industries will continue to grow.

What does this mean for pension schemes?

A pension scheme electing to go down the de-risking route requires a lot of support and advice, including complex preparatory work on data, benefit specifications and transaction broking services. A transaction from inception to ultimate completion will typically take three to four years with XPS providing support throughout.

What does this mean for insurance companies?

Insurance companies taking on the assets and liabilities of schemes require support and services to administer members' benefits and ensure these are protected.

How is XPS positioned?

XPS offers a full suite of services to pension scheme trustees and corporate sponsors through our Risk Settlement team, as well as to insurance companies and other commercial entities that seek to take on pension liabilities such as superfunds. Our observation is that although the number of defined benefit schemes will gradually decline, many members of these schemes will be receiving benefits for 50 years or more, whether from a pension scheme or another institution. Essentially, we "follow the member" throughout the whole process, providing support to pension schemes, insurers and other institutions that take responsibility for paying members' benefits.

3 The wider insurance market

What support do insurers need?

Insurance companies need a lot of support on other matters too. Most are staffed to deal with stable business as usual activities, but seek external support to adapt to market and regulatory changes, which (like for pension schemes) happen frequently. In recent years, for example, insurers have needed a lot of support in adapting to a new accounting standard, and many need support in modernisation programs in the area of finance and risk management.

What capability does XPS have?

We began to invest in our insurance consulting capability two years ago, and have recruited a senior, experienced team. Building on this we made the acquisition of an insurance consulting business, Polaris, early in 2025. We now have the capability to provide wide ranging support to insurers, well beyond the overlap created by the bulk annuity market.

How is XPS positioned?

XPS has strong relationships with a number of the largest insurance companies in the market. We have 18 Master Service Agreements with such insurers. As such we are very well placed to win valuable mandates in the insurance consulting market in the future.

Total addressable market

£4.5bn+
Total addressable market

£3.0bn+
Pension fee market

£1.5bn+
Insurance fee market

Our strategy

Our strategic pillars

As a Group, we have generated nine consecutive years of profitable revenue growth since becoming a publicly traded company in February 2017. This growth stems from our four core strategic pillars below.

Capturing growth

Regulatory and market change drives growth in our end markets. Whenever new regulations come into force or key market developments take place, pension scheme trustees, corporate sponsors, insurance companies and individual members require support to navigate the change. Demand for advice and solutions is therefore generated and this in turn drives market growth.

The year saw continued progress made across all four strategic pillars.

Regulatory change as a driver of activity

Pension scheme members need to receive the correct amounts they are owed when they are due. To ensure they do, the regulatory landscape governing pension schemes is constantly evolving. New rules regularly come into effect and when they do, pension schemes and their members require advice and support across all four areas of the UK pensions market – administration, actuarial, investment and employer covenant – to understand and adapt to the changing regulatory environment. Typically, the workflows generated run for multi-year periods.

Progress in FY 2026

We continued to help clients implement the new Single Code of Practice and Funding and Investment Code as well as roll out our equalisation solution for the multi-year GMP rectification project. Demand was also driven by new rules on pension scheme valuations that came into force in 2024. These require a change to how clients' triennial actuarial valuations are carried out.

Priorities for FY 2027

- Prepare trustees and corporate sponsors for the introduction of a new Pension Schemes Bill which is due to come into effect in 2027
- Help trustees of pension schemes and corporates evaluate the relative merits of available options such as running on and risk transfer

Key risks

- Third-party supplier and outsourcing issues/errors, theft and fraud and execution risk with our strategy

57%
Employers looking to run their DB pension schemes on for surplus extraction

36%
Our clients who have completed all stages of GMP equalisation

Growth through expanding services

As our markets expand and evolve so too must the services we offer. By continually investing in cutting-edge technology and our people, we can scale up our platform so that we can always offer new and existing clients the solutions they need.

Progress in FY 2026

Areas of focus during the year included further expansion of our services in life insurance consulting, a tangential market for XPS. Alongside this, we launched XPS Integrated Run-On for DB trustees and sponsors, XPS Xchange to facilitate illiquid asset trades on the secondary market, and a new investment solution for small and medium-sized DC schemes.

Priorities for FY 2027

- Focus on operational and functional refinement of Aurora in FY 2027 and progressing the migration of clients from our final legacy system
- Leverage the 2025 acquisition of strategic consultancy Polaris Actuaries and Consultants Ltd ("Polaris") to expand the Group's service offerings in the insurance consulting market
- Continue to invest in AI-driven solutions to scale up our platform and provide innovative solutions to clients

Key risks

- Strategic planning and execution, financial performance, information/cyber security, human resources, client engagement and business conduct and reputation

670k
The total number of members now on the Aurora platform

46
The number of risk transfer engagements secured by the Group during the year

Read more in Principal risks and uncertainties on pages 43 to 50.

Regulatory change: The upcoming Pension Schemes Bill

The new Pension Schemes Bill aims to make it easier for well-funded defined benefit schemes to run on, enabling surpluses to be deployed for the benefit of members and the sponsoring companies and for growth in the wider economy to be facilitated.

When does it come into effect?

2027.

What does this mean for pension schemes?

Once the bill is in place, trustees and corporate sponsors will require advice on what the best and most appropriate long-term strategy for their schemes will be.

How is XPS positioned?

Our full-service offering enables us to advise on all the various options available, including "run-on-for-surplus" and de-risking strategies.

1 Growing market share

Investing in our platform increases its scale and functionality. Not only does this expand our best-in-class service offering and capability; it also allows us to grow our market share in both the £2.5 billion pension scheme fee market and the £1.5 billion insurance consulting fee market.

Progress in FY 2026

Thanks to being one of the few service providers to have successfully delivered the McCloud rectification project accurately and on time, we secured new ongoing administrator mandates including the West Midlands and Metropolitan Police forces, the latter being XPS's largest ever public sector client. We also completed the transition to provide full administration services for the entire SEI Master Trust from their previous supplier. We have continued to win new work with insurance companies following the acquisition of Polaris in FY 2025.

Priorities for FY 2027

- Grow our share of the risk transfer market
- Increase cross-selling opportunities across the business
- Pursue new mandates within Administration including first-time outsourcing and public sector opportunities

Key risks

- Strategic planning and execution, errors and third-party supplier/outsourcing issues

7%
Organic revenue growth during the year

4
Our ranking in the pension services fee market in terms of revenues

Growth through M&A

Our focus is to expand our offering and grow our market share organically. Our strong balance sheet also allows us to pursue inorganic growth opportunities that match our investment criteria.

Progress in FY 2026

Following the acquisition of UK insurance consultancy business Polaris in FY 2025, the year under review was focused on embedding the business within our Insurance Consulting division, leveraging cross-selling opportunities and accelerating our expansion into the UK insurance consulting market. In line with this, insurers that were previously Polaris clients were seamlessly transitioned into clients of the wider Group.

Priorities for FY 2027

- Continue to evaluate potential opportunities that meet our investment and strategic criteria

Key risks

- Financial performance and business conduct and reputation, strategic planning and execution

7
Acquisitions since listing in 2017

£62m
Capital deployed since FY 2018

Co-Chief Executives' review

Looking ahead with confidence

This year marks our ninth consecutive year of revenue growth, reflecting the strength of our business and giving us confidence in our future prospects.

We are proud of our achievements, and we are especially proud of our people who are the driving force behind our success."

Ben Bramhall
Co-Chief Executive Officer

Our platform and our people position us well to take advantage of the expanding opportunity set we see in front of us."

Paul Cuff
Co-Chief Executive Officer

In previous years, we've used the opening paragraphs of our year-end statement to highlight how far the Group has come. It is tempting to do the same this year. After all, we are reporting a ninth consecutive year of revenue growth as a listed business. Furthermore, the 13% growth in Group revenues for the year ended 31 March 2026 compounds on a sustained period of high growth with our revenues of £263 million over five times larger than the £50 million we reported in 2017. We have also grown profitably with FY 2026 adjusted diluted earnings per share of 22.3p, 2.5 times the 8.9p generated in the first full year after we listed in 2017. We have delivered all this with low levels of debt too – leverage at year end is just 0.64x EBITDA.

We are proud of our achievements, and we are especially proud of our people who are the driving force behind our success, but this year we want to use the opening paragraphs of our statement to be more forward looking. This is because, despite maintaining our multi-year track record of growth, we firmly believe XPS's best years lie ahead and not behind us. Our confidence is based on three things: our platform, our people and the expanding opportunity set we see before us.

A scalable platform

Our scalable platform has been delivering a high level of service to our pension scheme and insurance clients for many years. As a result of the investments we have made, XPS is a high-quality provider of scale offering all the services pension trustees and sponsoring employers require: actuarial, administration, investment and employer covenant solutions.

We continue to develop our platform to improve the services we provide. This includes making use of cutting-edge technology and investing in artificial intelligence (AI) to help our people continue to deliver the highest standards of service to clients. In line with this, we are piloting and deploying numerous AI-driven solutions across the Group, which in our Administration business is possible thanks to the recent development of our proprietary system, Aurora, itself designed with AI in mind.

On the broader topic of AI in our industry, we observe that there are high barriers to entry, as domain knowledge is critical, access to data to train AI models is not readily available, and buyers of our services are relationship and trust driven and want to work with firms with a long, deep track record. As such we think the future winners from AI in our industry are already in our industry. We also think we are very well placed to be one of these winners, by virtue of our size and position in the market – we are big enough to invest and credible to win the largest appointments in the market, but we retain agility and focus which larger less specialist firms will naturally find more of a challenge.

The full-service platform we have in place, however, is nothing without our people.

Invested for the future

Metropolitan Police contract win

XPS was selected by DXC as part of a wider consortium to deliver HR services to the Metropolitan Police. DXC chose to partner with XPS specifically for the provision of pensions administration services in recognition of our extensive experience supporting 33 police forces across the UK and our reputation as a best-in-class provider. The contract was awarded following a rigorous competitive tender process, during which our teams demonstrated strong technical capability, detailed planning and a clear understanding of the needs of the force.

This long-term partnership represents a significant achievement for XPS and further strengthens our position as a trusted provider within the policing sector. The contract has a maximum term of nine years, with services scheduled to go live in 2027. Preparatory work and transition planning are already well underway, ensuring a smooth and well-governed implementation.

This success reflects the quality of our people, the strength of our sector expertise and our continued commitment to delivering resilient, high-quality administration services to clients across the public sector.

Our people

In an industry where human interaction and empathy are vital, our people remain key to the Group's continued success. They are driven by a shared sense of purpose centred around ensuring scheme members receive the financial benefits they are owed when they are due. It is their passion for what they do that has driven the financial performance described above. It is also why the Group is regularly recognised by the wider industry. At the 2025 UK Pensions Awards, XPS was named the Sponsor Covenant/IRM Adviser of the Year for the second successive year.

What matters more than awards, however, is what our own people think of our culture. This year, our employee survey delivered another strong set of results, the highlight of which was an employee Net Promoter Score of +32. We are determined to score a high rating from our people every year, and fostering a culture where everyone feels a valued member of the XPS family is key to this. It was therefore encouraging to see XPS named Best Medium Sized Organisation for Business Culture at this year's Business Culture Awards. The award is especially pleasing as it is not restricted to the financial services industry but open to all businesses in the UK. At the same ceremony, we also received a commendation for the Best Employee Voice Initiative category.

Every year we hold our own awards ceremony. Our Values in Practice Awards highlight the work our people do at the workplace, in their local communities and for a wide range of charities. We celebrate the many people at XPS who really do go "above and beyond" in the support they show for their colleagues and their communities. Every year we come away from the ceremony with a feeling of immense pride that we belong to such an impressive and selfless group of people and this year's award ceremony was no different.

Our expanding opportunity set

Our platform and our people position us well to take advantage of the expanding opportunity set we see in front of us. Market-driven developments are transforming our industry.

A step change in the outlook of defined benefit schemes

The rapid transformation in the financial health of pensions schemes is a significant market development. The shift from a low-to-higher-interest rate/inflationary environment has meant deficits that had previously prevailed have either been sharply reduced or replaced by surpluses. Today, the percentage of pension schemes in surplus stands at over 50% compared to very few ten years ago, with schemes having moved from a collective deficit measured in the hundreds of billions of pounds to an aggregate surplus of approximately £200 billion, a huge swing. As a result, pension schemes are faced with a radically different financial position to in the past, one that comes with a wider range of options, and even greater need for good advice.

This transformation in financial position has driven a surge in demand for bulk annuity transactions in recent years. We expect this to continue for many years to come, particularly for smaller defined benefit schemes for whom this will likely be their best option. However, a new option of "running-on-for-surplus" is increasingly gaining traction amongst sponsors of larger defined benefit schemes. Many are starting to see their pension scheme no longer as the risky liability it once was, but rather as an asset. For schemes in long-term run-off mode, there will be opportunities for value from surplus to be released directly to both sponsors and members. New regulations regarding how this can be done safely are due to come into force in 2027, and our clients will need a considerable amount of advice and support as this happens.

Co-Chief Executives' review continued

Our expanding opportunity set continued

The great capital shift – "follow the member"

It is not just companies and scheme members that stand to benefit from this deficit-to-surplus switch, but the wider economy too. There is well over £1 trillion of capital in around 5,000 private sector defined benefit schemes, and every scheme is going to need to decide on and execute its long-term strategy. A large amount of this capital will move from pension schemes to insurers or other end destinations such as pension superfunds or company balance sheets. There will be capital flows in the hundreds of billions of pounds taking place over the next 10-15 years, a quantum unmatched anywhere else in the UK economy today. XPS lies at the heart of the value chain servicing this great capital shift.

Whilst there may be further market developments in the coming years, one simple fact remains: many members of defined benefit schemes will be receiving pensions for the next 50+ years. A range of institutions will honour these obligations over time – pension schemes, insurance companies, superfunds and other vehicles. Our observation is that whoever this is, they will need administration and advisory support on this journey. It is for this reason that we have developed what we call our "follow the member" strategy – we will be a brilliant provider of support to all of these institutions to provide safety and security to our ultimate end client, the current members of pension schemes, on this journey.

In recent years there has been material growth in the bulk annuities sector where the responsibilities of a defined benefit pension scheme are transferred to an insurance company – 2025 was a record year for deal numbers, with around 350 transactions in the market. Here our "follow the member" mantra means we provide a full range of services across the entire value chain, helping our clients prepare for and execute a transaction, and also helping insurers to onboard and support their new policyholders for the long term once the pension scheme has been wound up.

More widely, just as with pension schemes, insurers require support in areas such as financial reporting, reserving, risk management and data architecture – services we have been providing to pension schemes for many years.

It is through our dedicated Insurance Consulting team that we deliver the same level of support for insurers as we do for pension trustees and corporate sponsors. Following last year's Polaris acquisition, and building on the capability we already had, we offer insurers operating both within and outside the bulk annuity market a full suite of services from strategic consultancy at the front end through to on-the-ground implementation.

It is because of our platform, our people and our expanding opportunity set that we believe the Group's best years lie in front of it. We estimate the growing overlap between the pensions and insurance industries is scaling up our total addressable market to over £4.5 billion: £3.0 billion from the traditional pension fee market plus £1.5 billion in the insurance fee market. We are well placed to take market share in this large, expanded opportunity set in the future.

It is because of our platform, our people and our expanding opportunity set that we believe the Group's best years lie in front of it."

Strong underlying performance

The great capital shift is evident in our full-year results. For the year ended 31 March 2026, we are reporting total Group revenues of £262.7 million, a year on year increase of 13% (FY 2025: £231.8 million) with organic growth of 7%. These headline growth figures, though, are not a true reflection of the strength of the Group's underlying performance. Last year's outcome benefited from revenues generated by the McCloud rectification work we took on for public sector clients. McCloud was a one-off project which saw XPS complete more than 38,000 cases for our police force clients by the March 2025 deadline using high levels of automation. Excluding McCloud, revenue growth was 18%, 12% organic. Of this, around two-thirds (8%) was generated via higher volumes with the remaining third coming from higher prices.

This volume growth is thanks to strong demand from new and existing clients across a wide range of service lines, including multi-year projects such as GMP equalisation, and the expansion of our offering into the insurance consulting market. UK inflation continued to provide a tailwind thanks to the industry practice of embedding inflation linkage into contracts, but it was not the main growth driver during the year.

The strength of our full-year performance can be seen at the earnings level too: FY 2026 adjusted EBITDA of £75.7 million (FY 2025: £69.7 million); and adjusted profit before tax of £64.2 million (FY 2025: £59.5 million).

Last year, the McCloud remedy project was delivered in a highly automated manner leveraging our Aurora platform. Excluding this impact, adjusted EBITDA growth this year would have been well ahead of revenue growth, meaning the Group has benefited from underlying operational gearing (earnings growing faster than revenues) for the fourth consecutive year. The adjusted EBITDA performance was all the more pleasing as it was achieved despite higher employer National Insurance costs that came into effect during the year, as well as further growth investment in Insurance Consulting. Our ongoing focus on managing costs and operational efficiencies continue to play a key role here, as does harnessing benefits from onboarding clients onto Aurora and switching off legacy third-party systems.

Double-digit dividend growth

In line with our progressive dividend policy, the Board is proposing a 13.2p dividend for the year, a 11% increase on 2025's 11.9p per share. It is the fourth successive year of double-digit dividend growth.

Our full-year dividend has now increased by 110% since our 2018 payout of 6.3p per share, a testament to the progress we have made, our confidence in the Group's prospects and the strength of our balance sheet. As at year end, Group leverage stood at 0.64x compared to 0.57x previously and well below our medium-term leverage target of 1.0–1.5x.

Growth across all divisions

Revenues grew across all three divisions: Advisory; Administration; and SIP.

Advisory

Advisory, our largest division, accounting for 57% of Group revenues, includes actuarial and consulting services provided to pension trustees and insurance companies, as well as investment consulting services, posted the strongest growth: revenues were up 20% to £150.1 million (FY 2025: £125.5 million) with 7% of this generated organically. Advisory is one of the areas where demand is benefiting from the rapid change in pension scheme

funding levels and recent regulatory developments. In particular, clients are approaching us for advice on how best to navigate the new regime and whether to deploy "run-on-for-surplus" or de-risking strategies such as bulk annuity transactions. Our proprietary Radar platform helps corporate sponsors and trustees evaluate the relative merits of both strategies to inform the discussion. Should clients go down the "run-on-for-surplus" route, we can advise them on how this can be achieved safely and efficiently, including advice on funding and investment strategies. This advice is only really the tip of the iceberg – we expect higher levels of activity once the new regulations relating to run-on-for-surplus, due in 2027, are finalised. At the same time, many clients (particularly smaller pension schemes) are still electing for the insurance option, and here our Risk Transfer team can provide the support they need. We have seen strong growth in this area, with revenues in Risk Transfer up 31% to £19.0 million in FY 2026.

Within Advisory, we are excited by our expansion into Insurance Consulting services, with Polaris' established client relationships driving opportunities for the wider Group. Capitalising on cross-referral opportunities to strengthen our relationships with and increase the work we do for, insurers was a key part of the rationale for acquiring Polaris, and the decision is paying off. A great example is a large project that we worked on for a bulk annuity insurer in the second half of the year, where we provided support with onboarding pension schemes; this work was won on a Polaris contract we inherited, but was delivered predominantly by the pre-existing XPS actuarial team.

The Group is not only being retained on Preferred Supplier Lists that Polaris was already on but is also being included in categories that the business was not previously on. We have also been added to lists with new organisations for the first time. This sets us up very well for the future.

Administration

Accounting for 38% of Group revenues, Administration is our second largest division. Despite the McCloud project's distorting effect on last year's numbers, Administration continues to grow strongly at both absolute and underlying levels: revenues increased 5% to £98.7 million (FY 2025: £93.7 million). Excluding McCloud, underlying growth was 18% which was driven largely by new mandates and project work in both the private and public sector (including ongoing GMP equalisation work). We also won our largest ever public sector client, the Metropolitan Police, a scheme with 80,000 members. This scheme will go live in FY 2027. We believe our success in being one of the few providers to deliver the McCloud project accurately and on time contributed to this marquee contract win. As at 31 March 2026, the number of members under administration stood at 1.2 million.

We also completed the transition to provide full administration services for the entire SEI Master Trust from their previous supplier. As we were previously the administrator for the National Pension Trust (NPT) which was merged into the SEI Trust, we are delighted to be appointed to run the whole trust.

A key driver of new business is our technology, specifically Aurora, our proprietary cloud-native platform. Aurora has multiple benefits, for both us and our clients and members. It represents a big step forward in our business as increasingly we are using fewer third-party systems. During the year, we continued to roll out the platform across our client base which allowed us to switch off more of these legacy systems, capture efficiency gains and, above all, provide a higher level of service to clients.

SIP

At 5% of overall revenues, SIP is the Group's smallest division. Good progress continues to be made, with revenues up 10% year on year to £13.9 million (FY 2025: £12.6 million). Inclusion on the recommended SIPP-provider lists of leading financial adviser panels, such as St James's Place, as well as our award-winning platform, continues to generate new business flows.

Growing responsibly

Thanks to the investments we have made in our people and platform, along with long-term market and regulatory drivers, we are confident our track record of growth will be maintained in the years ahead.

The quantum of growth is important to us, but so too is the quality. We are determined to grow responsibly. This is not just limited to reducing our carbon footprint or sourcing all our electricity from renewable energy sources by 2030 but also includes ensuring the wellbeing of our people and safeguarding the financial security of scheme members. With the debate moving towards how corporate sponsors can take excess funds out of schemes, this is more important than ever.

In line with our purpose, it is our duty to ensure that members are protected and that where any funds are taken out of schemes, it is done safely.

Looking ahead

Our growth record demonstrates how our people and platform continue to deliver for clients and members. We are able to do this because we continually invest in our capabilities, our people and our technology so that the services we offer are always of the highest standard. Importantly, it ensures they also remain relevant in what is a constantly changing regulatory and market environment. This is why we are confident that XPS is set to play its part in the huge capital shift in the years ahead and why the Group has never been better placed to continue to deliver for all stakeholders.

Final thanks

We would like to take this opportunity to thank Alan Bannatyne and Margaret Snowdon OBE who stepped down from the Board as independent Directors (Alan as Chair) during the year. Both had served on the Board for nine years and so, under the UK Corporate Governance Code, could no longer be considered independent of the Group. It has been a pleasure to work with them and we wholeheartedly wish them all the best for the future.

Alan and Margaret's respective nine-year terms cover a transformational period for XPS, one that saw the business grow from c.400 employees into the c.2,100-strong FTSE 250 company it is today. We remain dedicated to building on the strong foundations already in place. In line with this, we are working closely with the Board under the chairmanship of Martin Sutherland to take the business to even greater heights in the years ahead.

Paul Cuff

Paul Cuff
Co-Chief Executive Officer
17 June 2026

Ben Bramhall

Ben Bramhall
Co-Chief Executive Officer
17 June 2026

Sustainability

Shaping a better future

At XPS, sustainability is integral to our purpose – to deliver safe and robust pensions for people and society. By embedding sustainability into our decision-making process and day-to-day operations, we aim to create long-term resilience, drive meaningful, positive impact for all stakeholders and ensure that the actions we take today contribute to a stronger, better future.

Sustainability lies at the core of our business strategy and governance framework. Not only does this allow us to navigate the evolving landscape of risks and opportunities we face, but it also ensures that, as a Group, we remain resilient, effective and well placed to maintain our long-term track record of growth."

Snehal Shah
Chief Financial Officer

Our sustainability framework: shaping a better future

Our sustainability framework reflects our commitment to embed sustainability into every aspect of our business. It reflects our values at XPS, including a strong commitment to doing the right thing and acting responsibly for the long term. We have identified four priority areas of focus to help shape a better future: empowering our people to thrive; strengthening our communities; protecting our environment; and supporting our clients and members.

Empowering our people to thrive

XPS promotes a diverse and inclusive culture, enabling people to realise their fullest potentials.

Material issues
Employee engagement, Inclusion, equality and diversity, Learning & development, Employee health & wellbeing

Strengthening our communities

XPS contributes to the local communities near its offices, working together for a better future.

Material issues
Community engagement, Charitable giving

Protecting our environment

XPS works to mitigate climate change by minimising its impact on the environment.

Material issues
Climate change & environment, Environmentally friendly culture

Supporting our clients and members

XPS supports its clients and members to optimise outcomes.

Material issues
Sustainable products & services, Responsible investment, Advising clients & members

Being a responsible business

XPS has a culture of strong governance that minimises risk, upholds high standards in conduct and complies with legal standards.

Material issues
Business ethics & values, Corporate governance, Cyber security & data privacy, Human rights & modern slavery, Supply chain management

Following through on our ambitions

Within each of our priority areas we have set clear ambitions to ensure that sustainability is integrated into our corporate strategy and that we deliver meaningful impact for our stakeholders. This year, we have strengthened this approach by highlighting progress against each ambition so that we can demonstrate how our work across our priority areas is delivering tangible outcomes.

Priority areas	Ambitions	Recent progress
Empowering our people to thrive	XPS promotes a diverse and inclusive culture, enabling people to realise their full potential. Ambitions: • Take action to enhance our diversity and support our inclusive culture	• Continued excellence in employee survey results: +32 Net Promoter Score • Increased number of women in senior management roles to 39% (FY 2025: 38%) • Launched "For All of You" Employee Value Proposition (EVP) • 90% of employees said XPS is a great place to work
Strengthening our communities	XPS supports the people living near its business operations with the challenges they face. Ambitions: • Enhance our charitable giving and employee volunteering	• Donated over £84,000 to community organisations • Supported 77 charities, including our main charity partner, Cancer Research • Provided 507 volunteering hours
Protecting our environment	XPS works to mitigate climate change by minimising its impact on the environment. Ambitions and targets: • Achieve net zero by 2050 in collaboration with our suppliers and partners	• Received external validation of our near-term net zero objectives (up to 2035) from the Science Based Targets initiative • Reduced our key carbon revenue intensities by more than 24% • Doubled the number of ISO 14001-certified offices in our Environmental Management System to 14 in FY 2026 from seven sites in FY 2025 • Continued our transition to 100% low-energy lighting which we expect to complete fully by December 2027
Supporting our clients and members	XPS supports its clients and members to optimise outcomes. Ambitions and targets: • Encourage sustainable considerations for clients and members	• 170 investment funds across 41 investment managers reviewed as part of fifth sustainability ratings exercise • 43 Sustainable funds and four Impact funds available on our Sustainable and Impact designation buy-list • 48 clients in Sustainable funds representing £1.7 billion • 21,500 members' transfers protected • £3.0 billion value of transfers protected

Ensuring strong oversight

Governance is a core part of our commitment to long-term resilience and stakeholder alignment. Ultimate responsibility for our sustainability framework rests with the Board of Directors, with oversight of implementation, progress and performance delegated to the Sustainability Committee (the "Committee"). In collaboration with a dedicated Sustainability Working Group, the Committee, which includes executive sponsor Snehal Shah, oversees action, tracks progress and ensures effective communication across the business. This governance structure enables XPS to stay aligned with evolving stakeholder expectations and regulatory requirements.

The Sustainable Development Goals

We align our efforts with several United Nations Sustainable Development Goals (SDGs). The SDGs that our strategy specifically promotes highlight our focus on tackling the global challenges that matter to our business and wider stakeholders.

Sustainability continued

Empowering people to thrive

We recognise that by promoting a diverse and inclusive culture, we can empower our people to realise their full potentials, perform to their best abilities and above all thrive. This is the right thing not only for our people, but also for our business. Through continuous learning and meaningful engagement with clients and stakeholders, our people build lasting partnerships and at the same time support a high-performing and sustainable organisation.

Our strategy is centred around preparing the business for the future. By creating an inclusive environment, brought to life through our new Employee Value Proposition, colleagues are empowered to grow and do their best work. By listening to and engaging with employees, clients, shareholders and communities, we make sure our priorities are aligned with all stakeholders and at the same time support resilient, profitable growth."

Rachel Gillion
HR Director

FY 2026 highlights include:

High satisfaction scores with
90%
of employees saying XPS is a great place to work

Continued excellence in employee survey results with a
+32 Net Promoter Score

Increase in women in senior management
39% (FY 2025: 38%)

Launch of our Employee Value Proposition (EVP)
"For all of you"

Winning Business Culture Award for
Best Culture

Named in the Financial Times' UK's Best Employers
2026

As XPS continues to grow, we remain committed to creating an exceptional workplace by fostering a culture of growth, engagement and innovation. By providing our colleagues with the support they need to perform to their best abilities and by attracting high-quality talent, we both enhance productivity and strengthen our capability to deliver for clients. This focus underpins sustainable, profitable growth and ensures our people strategy remains closely aligned with our wider strategic objectives.

External recognition further reinforces the effectiveness of our approach to learning, leadership and engagement. During the year, XPS won the Business Culture Award for Best Culture. The Group was also included in the Financial Times' Best Employers 2026.

Engagement approach

Building trusted relationships with our people and sustaining a positive, inclusive culture remain key priorities for the Group. In line with this, our employee voice strategy, supported by a dedicated feedback portal and regular engagement activity across the business, enables colleagues to share feedback openly and at any time.

During the year, the Group communicated directly with colleagues on matters including Group performance, changes in the economic and financial environment, and updates on key strategic initiatives. Structured workforce feedback is provided through the Employee Engagement Group (EEG), chaired by Aisling Kennedy, Non-Executive Director and Chair of the Sustainability Committee. The EEG includes representatives from each business location and provides a formal mechanism for employee perspectives to be considered by management and the Board, supporting effective decision making and the early identification of emerging issues.

Investing in our people for the future

Bringing our Employee Value Proposition to life

In FY 2026, XPS launched a new Employee Value Proposition (EVP) to clarify what colleagues can expect from a career at XPS and how this supports our strategy. Developed through extensive colleague engagement, the EVP brings together our commitments to meaningful work, development, inclusion and wellbeing.

The EVP has guided key initiatives during the year, including enhanced learning opportunities, clearer career pathways and a stronger focus on colleague feedback. By aligning the EVP with our strategic objectives, we have reinforced the link between colleague experience and business performance.

As we continue to build the EVP, it will remain a key driver of engagement, capability building and performance, helping ensure XPS remains an attractive and inclusive place to work as the business evolves.

We engage with colleagues through a range of channels, including communications from our Co-CEOs, townhalls and listening circles. The effectiveness of our approach is assessed through our annual employee engagement survey. In FY 2026, the survey achieved a 76.2% response rate, with 80.2% favourable responses overall, providing valuable insight into colleague experience and areas of focus.

Feedback on diversity, equity and inclusion continued to demonstrate positive progress. In FY 2026, 89% of colleagues agreed that people of all backgrounds can thrive at XPS, while 91% reported that they enjoy working with their teams, reinforcing the importance of inclusion and collaboration in enabling consistent performance.

Overall engagement levels remained broadly favourable. Our employee Net Promoter Score (eNPS), which measures how likely colleagues are to recommend XPS as a place to work, increased to +32, up eight points from the previous year. This reflects our continued investment in our people, which we view as key to generating long-term, sustainable growth for the business.

Our reward framework is designed to attract and retain high-quality talent, reinforce our values and align colleague outcomes with the delivery of our strategic objectives. Reward at XPS comprises competitive remuneration and benefits, alongside performance-related elements such as bonus arrangements and share plans, where applicable. We also recognise outstanding contributions through local recognition programmes and our Values in Practice (VIPs) Awards, which celebrate colleagues who demonstrate our values and make a positive impact across the organisation.

Reward arrangements are kept under regular review to ensure they remain appropriate as the business grows, taking account of market conditions, affordability and internal equity. This approach supports engagement and motivation across the organisation and underpins our ability to deliver sustainable, profitable growth.

Learning and development

Learning and development are central to colleague progression and key drivers of business performance and long-term value creation. As a core pillar of our Employee Value Proposition (EVP), our approach focuses on building the skills, capability and confidence our people need to perform effectively in their current roles and those they might take on in the future. Through sustained investment in inclusive, high-quality learning, we support productivity growth within the business and strengthen client delivery.

During the year, we launched a new interactive Career Framework, providing greater clarity on progression pathways and supporting more effective development conversations across the business. This is complemented by a broad portfolio of leadership, management, technical, professional and personal effectiveness programmes, aligned to both individual aspirations and corporate strategic priorities.

We further strengthened our development infrastructure with the introduction of a firm-wide mentoring platform, embedding mentoring as a core, continuous development offering. A consolidated learning catalogue was also launched, creating a single, accessible gateway to all learning opportunities.

Our commitment to capability building is evidenced by learning activity. In FY 2026, we registered 30,000 training hours (FY 2025: 34,000), which are in addition to study leave for professional exams and apprenticeship programmes. We also achieved Investors in People Gold accreditation within our Administration business, providing independent validation of the strength and impact of our people development practices.

Sustainability continued

Empowering people to thrive continued

Inclusion and diversity

At XPS, we are committed to creating a workplace where difference is valued and inclusion is recognised as a source of strength. We believe that a more inclusive organisation is better positioned to serve clients, support colleagues and deliver sustainable performance. As a result, inclusion and diversity considerations are embedded across our business and inform how we work with clients, colleagues, communities and partners.

Fostering a culture of belonging where colleagues feel valued and supported so that they can thrive is fundamental to the delivery of our strategic objectives. Inclusive governance principles are therefore integrated into our organisational design, pay and recruitment processes, supporting fair, transparent and consistent decision making.

Our inclusion and diversity strategy, including our approach to recruitment and progression, is designed to support opportunities at all levels of the organisation.

In FY 2026, we continued to make progress in strengthening inclusion and diversity across the business, including:

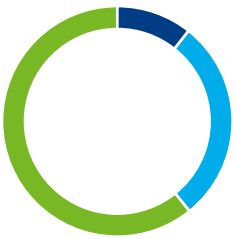
- an increase in women in senior management roles to 39% (FY 2025: 38%), reflecting our continued focus on progression and representation at senior levels;
- ongoing support for working parents and carers through targeted initiatives, including parental coaching delivered in partnership with The Tall Wall for colleagues and managers during parental leave, alongside the introduction of a Parents' Forum to help parents connect and support our family-friendly and inclusive culture;
- the implementation of Phase 1 of our Race at Work Charter Action Plan. This is focused on tackling ethnic disparities through leadership accountability, fair recruitment and progression, and cultural change. We remain focused on unlocking potential for colleagues from ethnic minority backgrounds and improving representation across the organisation;
- a continued focus on building a more inclusive environment for our LGBTQ+ colleagues, including workshops delivered in partnership with LGBT Great to promote inclusive language and awareness across the business;
- maintenance of our Disability Confident Leader (Level 3) status in line with our commitment to accessibility and inclusion for colleagues with disabilities; and
- partnering with The Ladder Group to support pathways into employment and skills development for young adults facing barriers to work, further reinforcing our commitment to inclusive growth.

Diversity at XPS

Gender diversity at XPS

	Female		Male	
	No.	%	No.	%
Board	5	56%	4	44%
Group	1,055	50%	1,063	50%
Partners & Associate Partners	70	39%	111	61%
Other employees	985	51%	949	49%

Disability diversity at XPS

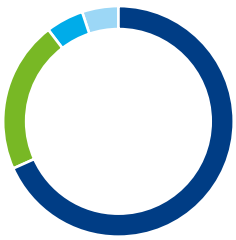


Disability

(71.42% staff disclosure)

Yes	10.6%
Undisclosed	28.6%
No	60.8%

Sexual orientation at XPS

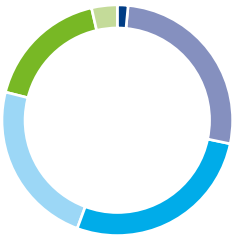


Sexual orientation

(78.72% staff disclosure)

Heterosexual	68.3%
Not provided	21.3%
LGBTQ+	5.3%
Prefer not to say/ undisclosed	5.1%

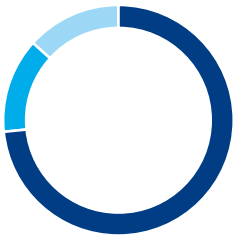
Age diversity at XPS



Age distribution

<20	1.5%
21–30	26.8%
31–40	27.4%
41–50	23.3%
51–60	17.5%
61+	3.6%

Ethnic diversity at XPS



Ethnicity

(86.72% staff disclosure)

White	73.4%
Prefer not to say/ undisclosed	13.3%
Ethnic minority	13.3%

Wellbeing

We recognise the link between wellbeing, engagement and long-term performance and so we remain focused on fostering a working environment that promotes physical, mental, financial and emotional wellbeing.

Our approach is centred on creating a supportive and inclusive culture, underpinned by a range of wellbeing initiatives and resources available to colleagues across the business. These are designed to help colleagues manage the demands of their roles, maintain a healthy work-life balance and perform to the best of their abilities. Wellbeing considerations are embedded within our people practices, including learning and development, flexible working arrangements and line manager capability.

Key wellbeing initiatives delivered in FY 2026 include:

- continued mental health training for line managers, equipping them with the skills and confidence to support colleagues effectively;
- delivery of a Financial Literacy Week, alongside the expansion of financial wellbeing support (in consultation with colleagues), including education, tools and workshops covering pensions and money management; and
- continuation of the XPS Wellbeing Hour programme with different monthly themes.

By investing in colleague wellbeing, we aim to support resilience, sustain engagement and create an environment where our people can thrive. This focus underpins productivity and supports the delivery of our strategic objectives and long-term, sustainable growth.

Looking ahead

Looking ahead to FY 2027, our focus will be on:

- further embedding our new EVP across the colleague lifecycle, ensuring it continues to guide how we attract, develop, engage and retain our people;
- prioritising strengthening leadership capability and building the skills required to support performance at scale through continued investment in learning and development aligned to business needs and future growth. This includes supporting line managers to lead effectively through change and providing clearer pathways for progression across the organisation; and
- maintaining inclusion and wellbeing as key enablers of long-term performance. We will continue to develop our inclusion strategies, including our Race at Work action plan, with an increasing focus on measurable outcomes and accountability. Alongside this, we will build on our wellbeing initiatives to support resilience, engagement and sustainable ways of working.

By maintaining a strong focus on capability, inclusion and engagement, and by strengthening the link between our people priorities and business performance, we aim to support a resilient, high-performing organisation.

Memberships and partnerships

See more information about our partners on our website: www.xpsgroup.com/sustainability/employees/

Sustainability continued

Strengthening our communities

Our purpose, to shape a better future, guides our approach to community sustainability.

In FY 2026, we continued to take a co-ordinated and proactive approach to community engagement, supporting local organisations, strengthening social mobility and helping to build our future talent pipeline. Our community engagement programme brings together colleague volunteering, community giving and matched fundraising. This work also supports our Employee Value Proposition (EVP) by giving colleagues meaningful opportunities to contribute, develop skills and feel connected to our purpose.

We are proud of our colleagues. By delivering meaningful outcomes and strengthening communities, their volunteering and fundraising activities embody the Group's values and culture. In line with our aim to create lasting impact and shape a better future for all, we are committed to growing our community engagement programme further and widening our reach through continued investment."

Charlotte West
Head of Employee Engagement

FY 2026 highlights include:

£84k+
charity donations

77
charities supported, including our main charity partner, Cancer Research

500+
volunteering hours provided

Communities across the UK continue to face a number of pressures – the cost-of-living crisis, inequality of opportunity and regional disparities. Our colleagues and their families live and work in these communities, so we believe we have a responsibility to support them through meaningful, well-governed and locally relevant action.

Through our community engagement programme, we work with a range of partners and charities, using our skills, time and resources to help create a more inclusive and sustainable society. Our community investment includes colleague volunteering, local donations and matched fundraising.

Volunteering

At XPS, we prioritise "doing the right thing" and supporting the communities where we live and work. We encourage colleagues to give their time and develop their skills by providing one day of paid leave each financial year for volunteering. We promote a range of opportunities to suit different skills and interests, including career and job coaching, mentoring, environmental initiatives, such as tree planting, clean-ups and recycling drives, and support for local shelters and outreach organisations. In FY 2026, colleagues recorded 507 volunteering hours during working time (FY 2025: 660). Although this year's metric has fallen, we are taking positive action, putting more opportunities in place for volunteering in FY 2027.

Community funding

To support our purpose to shape a better future, our Community giving policy enables each XPS location to allocate funding to UK-registered charities selected by local colleagues. This approach helps ensure our giving reflects local needs and provides appropriate oversight of our community investment. The policy complements our Matched Funding Policy and reinforces our commitment to social responsibility and positive change.

Fundraising

We take pride in the fundraising achievements of colleagues across the UK. Employees can apply for matched funding for money raised for UK-registered charities and during the year, colleagues raised over £84k (FY 2025: £79k), including corporate matched funding, supporting 77 local and national organisations.

Colleagues demonstrated creativity and commitment in their fundraising activities during the year. Examples included climbing the Kelpies to raise funds for the baby loss charity "Held in Our Hearts", Bake Off competitions to support Macmillan Coffee Morning and static bike ride challenges for Children in Need.

Supply chain

Our approach to supply chain engagement is focused on responsible and sustainable practices. We manage our supply chain to help mitigate risk and reduce our environmental footprint through standards, policies and ongoing engagement with suppliers.

Our Supplier Code of Conduct (the "Code") sets out the behaviours we expect from suppliers, including safe working conditions, fair and respectful treatment of employees, and compliance with applicable environmental and ethical requirements. During the year, we updated the Code to strengthen provisions relating to environmental sustainability and diversity, equity and inclusion. By building relationships with suppliers and monitoring alignment with our expectations, we aim to support a resilient and sustainable supply chain.

Looking ahead

Our commitment to supporting local communities is driven by the belief that together we can shape a better future. Looking ahead, we will focus on:

- continuing to strengthen and co-ordinate our approach to community engagement;
- increasing opportunities for colleagues to use their skills through volunteering and mentoring, including working with schools in socially deprived areas; and
- reviewing procurement and supplier engagement through an inclusive and responsible lens.

Sustainability continued

Supporting our clients and members

XPS shapes and supports safe, robust and well-understood pension schemes for clients and members. We integrate sustainability considerations into our services, insight, opinion and guidance; champion responsible investment choices for clients; and do everything we can to protect members' funds.

Our focus this year has been on promoting best practice on how clients can integrate sustainability into investment decision making. We made good progress in keeping our clients informed about the fast-evolving landscape of responsible investment and its relationship to risk management and long-term value creation."

Alex Quant
Head of Responsible Investment

FY 2026 highlights include:

170
investment funds across 41 investment managers reviewed as part of our fifth sustainability ratings exercise

43
Sustainable funds and four Impact funds available on our Sustainable and Impact designation buy-list

48
clients in Sustainable funds representing £1.7 billion assets under advice

21,500
members' transfers protected

£3.0bn
value of transfers protected

At XPS, we help safeguard clients' and members' assets and optimise outcomes for them. We do this in two ways: firstly, by integrating sustainability considerations into our investment research and advisory services; and secondly, by preventing fraud and scams. Together with our culture and values, we keep our clients' and members' funds safe.

Helping clients navigate sustainability

As a trusted partner, XPS helps clients navigate a rapidly changing environment. Sustainability (especially climate) considerations are integrated into the services we provide and recommendations we make for the £92 billion assets we have under advisement. By offering tailored insights, training and robust assessments, we empower clients to make informed decisions that align with their financial objectives and responsible investment approach.

This year, XPS continued to engage proactively with clients on sustainability. We hosted 20 webinars and training events on a range of topics during the year. These events attracted over 7,066 registrations (an increase of over 18% on the previous year), demonstrating client interest and engagement. By FY 2026, we had 2,800 registrants on XPSArena, a CPD destination for insight, knowledge and learning on key topics for trustees, sponsors and pension professionals.

In addition, we published research and regular briefings focused on sustainability-related risks and opportunities. For instance, XPS published its Fiduciary Manager ESG Integration Survey 2025. The survey, which covers over 90% of the UK fiduciary management market, found that there has been a noticeable deceleration in the pace of sustainability integration among fiduciary managers. Briefings on topics such as the changing shape of the Net Zero Asset Managers' Initiative (NZAMI) and the conclusions of COP30 further helped our clients better understand their portfolios' exposure to sustainability issues.

To promote best practice, XPS conducted its fifth sustainability ratings exercise, reviewing 170 investment funds managed by 41 investment managers. This year's findings highlighted relative stagnation in overall progress. 26% of funds are still unable to provide evidence of integrating sustainability factors into decision making. This is unchanged from the previous year. However, there was a slight increase in the proportion of funds rated "green", from 40% in FY 2025 to 43% in FY 2026. Tailored feedback was provided to each fund manager, identifying areas of strength and opportunities for improvement. Several managers received a downgrade due to their withdrawal from industry initiatives and weak firm-level climate commitments during FY 2026.

Championing sustainable investment options

Through our proprietary Sustainable and Impact fund labels, we provide clients with a robust framework for making informed decisions on responsible investment.

During FY 2026, we maintained our Sustainable and Impact designation buy-list. This now comprises 43 Sustainable funds across all asset classes (FY 2025: 43) and four Impact funds (FY 2025: 4). We continue to offer a comprehensive range of sustainable investment options to our clients and have a commitment to include a sustainable option in all manager selection advice work.

By the end of FY 2026, XPS supported 48 clients investing in Sustainable funds, representing £1.7 billion in assets under advisement (FY 2025: 40 clients, £3.2 billion).

Creating a sustainable pension industry

In FY 2026, XPS continued its commitment to shaping a more sustainable pensions industry. This year, we submitted our second progress report for the Net Zero Investment Consultants Initiative, demonstrating continued progress across the initiative's nine action areas. Our focus remains on integrating net zero considerations into our investment advisory services and wider business operations.

We also successfully maintained our status as a signatory to the UK Stewardship Code, ensuring our alignment with the highest standards of responsible investment. During the year, XPS actively contributed to key public consultations, including the development of the new Stewardship Code, responses to the FCA consultation on ESG Ratings and the IIGCC consultation on externally managed funds.

Keeping members safe

At XPS, safeguarding the members of the pension schemes we administer remains a top priority. Our Scam Protection Service continues to play a critical role in identifying and managing suspicious activity related to pension transfers. To date, our Scam Protection team has helped to protect over 21,500 members (FY 2025: 16,000), covering over £3.0 billion (FY 2025: £2.5 billion) in member transfers. The service uses detailed phone conversations to gather robust information about transfers and identify potential warning signs.

As an advisory member of the Pension Scams Industry Board, XPS goes beyond regulatory requirements by proactively monitoring trends in scam activity and adapting our processes to address emerging threats.

To further protect against cyber threats, XPS has strengthened its Information Security Management System (ISMS), which remains certified to ISO 27001. Our certification is independently verified through our Cyber Essentials Plus certification and BitSight risk scoring.

Additionally, all employees completed mandatory training on cyber security, phishing awareness and data protection, achieving a 100% completion rate.

Recognising that many pension members may have vulnerabilities, XPS continues to implement its Dealing with Vulnerable Customers Policy, which provides guidance to employees on identifying and addressing member needs. This year, we enhanced our training programmes to ensure employees are equipped to adapt services to meet specific member requirements, making our processes more inclusive and accessible.

Looking ahead

For FY 2027, we remain committed to helping our clients navigate the evolving regulatory and market landscape for sustainable investments and align their investment strategies with both financial goals and broader societal and environmental objectives:

- continue to work closely with investment managers to improve ESG integration and stewardship practices; and
- invest in advanced tools and analytics to provide clients with deeper insights into the sustainability performance of their portfolios.

Signatory of:

Sustainability continued

Being a responsible business

Operating responsibly is fundamental to our purpose and strategy. Our efforts reflect our commitment to shaping a better future through ethical behaviour, transparency and safeguarding trust across our business.

Being a responsible business is fundamental to XPS delivering on its purpose to shape a better future. Our efforts are not just about compliance – they are about supporting a business culture that delivers long-term value for all our stakeholders."

Sarah Rixon
Group Company Secretary

FY 2026 highlights include:

Launch of our

"Speak Up"

policy

100%

compliance training rate

84%

of colleagues feel comfortable whistleblowing if necessary

Governance rooted in transparency

XPS remains committed to upholding high standards of corporate governance. Our Board composition and governance structures continue to comply with the UK Corporate Governance Code, which emphasises transparency and accountability and ensures Board-level oversight remains robust and relevant.

Details of the Board's governance, composition and activities are provided on pages 56 to 59

Disclosures on executive management remuneration and how sustainability objectives are integrated into bonus and share incentive criteria are provided on pages 70 to 93

Compliance is a cornerstone of our culture

At XPS, compliance is embedded in our values and culture, ensuring that we operate as a responsible business and uphold the highest standards of corporate governance. Our compliance framework is populated with robust policies and procedures, including our Speak Up policy. Launched this year, Speak Up encourages employees to raise concerns about behaviours or practices that may not align with our values. These are intended to set clear expectations for the behaviours we expect from our people and are reinforced through mandatory training programmes covering ethics, modern slavery and anti-bribery, with a 100% completion rate achieved again this year (FY 2025: 100%).

In our 2025 employee survey, 83% of employees agreed they would feel comfortable challenging and calling out behaviours that are not inclusive, and 84% would feel comfortable whistleblowing if necessary.

By fostering a culture of accountability and transparency, XPS ensures that compliance is not just a set of rules but a shared responsibility across the organisation.

We also extend our compliance culture to our business partners and suppliers through our Supplier Code of Conduct. Adherence to this code is a requirement of doing business with XPS. Our onboarding process ensures that suppliers meet our standards, particularly in areas such as modern slavery, anti-bribery and financial fraud.

Protecting our environment

In the face of accelerating environmental challenges, XPS recognises its role in contributing to a sustainable future.

Doing the right thing means mitigating our environmental impact. With our near-term objectives validated by the Science Based Targets initiative this year, we are taking great strides towards net zero."

Matt Wellbelove
Environmental & Sustainability Manager

FY 2026 highlights include:

This year, we achieved a number of key milestones in our journey to environmental sustainability:

Validated

Received external validation of our near-term net zero objectives (up to 2035) from the Science Based Targets initiative

Reduced carbon revenue intensity by

28%

for Scope 1, 2 and 3 emissions

14

Doubled the number of ISO 14001-certified offices in our Environmental Management System to 14 in FY 2026 from seven sites in FY 2025

ESOS efficiency project

88%

complete – we aim to fully transition all our lighting to energy efficient alternatives by 2027

Our commitment to protecting our natural world and achieving net zero is not just a strategic decision; it is an ethical obligation that aligns with our core value of doing the right thing. As a leader in our industry, we understand the importance of taking decisive action to mitigate our environmental impact and associated carbon footprint, to lead by example to act responsibly and to engage our peers and value chain on the topic.

Achieving an environmentally sustainable operation is an important part of our strategy to achieve long-term, profitable growth. Together with our stakeholders and peers, we are committed to building a resilient and sustainable future, guided by the principles of innovation, responsibility and stewardship.

Robust environment and climate governance

TCFD governance (A and B)

The Board has ultimate responsibility for both risk management and sustainability within the Group, including those risks and opportunities relating to the environment and climate change. This duty is woven into the Group's established governance framework, guaranteeing that environmental and climate considerations are central to the development and evaluation of the Group's strategy, business plans, acquisitions and significant actions.

Governance concerning the environment and climate change is executed via several Board Committees. These Committees offer direction, alongside data-driven reports, to maintain the Board's oversight on the identification and management of climate-related risks and opportunities within the organisation.

Sustainability continued

Protecting our environment continued

Robust environment and climate governance continued

TCFD governance (A and B) continued

Environment and climate-related governance structure

Board of Directors

Responsible for sustainability strategy, including climate and environment-related risks and opportunities, and accountable for sustainability performance.

Sustainability Committee (SC)

The SC is responsible for defining the XPS sustainability framework, overseeing its implementation and monitoring progress. This includes the assessment of environment- and climate-related risk, corrective actions, opportunities, strategy and performance based upon metrics and targets. The SC meets at least two times per annum.

See **pages 68 and 69** for further information

Audit & Risk Committee (ARC)

The ARC monitors the effectiveness of internal controls, risk management and compliance activities, including those relating to climate and the environment. The ARC meets at least three times per annum.

See **pages 65 to 67** for further information

Remuneration Committee (RC)

The RC defines how climate and environment considerations are embedded into XPS executive remuneration, ensuring fair and appropriate reward. The RC meets at least two times per annum.

See **pages 70 to 93** for further information

Risk Management Committee

Monitors the implementation of the XPS Risk Management Framework in which climate and the environment are fully embedded.

See **Risk Management on page 44**

Risk Management Framework and Control Environment

Environmental Steering Committee

Environmental Management System

- Climate performance metrics
- Climate risk management
- Climate opportunities
- Assurance programme
- Compliance programme

The Nomination Committee assists the Board in ensuring that both the Board and its subcommittees possess the necessary skills and knowledge to perform their carbon-related roles effectively. Together, the Board and its subcommittees supervise and track progress towards relevant business objectives and targets, facilitating informed, effective and suitable leadership decisions. The Board is informed by XPS-specific data, insights and KPIs, alongside external consultancy and expertise, to guide business decisions that shape the Group's strategy and internal policies. For additional information on metrics, goals and targets, and the monitoring process within XPS Group, please refer to the section "Monitoring and Advocating Progress" on page 33.

Effective environment and climate risk management

TCFD governance (B), TCFD risk management (A, B and C)

The Board-level Risk Management Committee maintains oversight of policy implementation and effectiveness. Accountable senior management team members are responsible for the implementation and execution of climate and environmental policies within the business.

XPS has integrated climate and environmental risks fully within the existing Risk Management Framework. This includes alignment of terminology methodologies (identification, assessment, treatment) and priority assignment, along with any action plans. All Group risks, including those related to climate, are assessed and tracked using several predetermined materiality indicators and thresholds, which include assessing the impact on XPS's financials to ascertain the size, scope and priority of risks. The appetite, timeframe and method of treatment are governed by the Risk Management Framework and corresponding Group policies, with possible treatments encompassing mitigation, transference, acceptance or rejection. Climate risks are managed and communicated to relevant Board Committees as part of the Group's risk governance structure. The XPS Risk Management Framework is fully articulated in the Principal Risks section of this report (pages 43 to 50).

The XPS Environmental Management System (EMS) is a component of the XPS Risk Management System. The scope of the EMS includes all activities that generate a material environmental or climate impact or where an environmental or climate impact may materially influence the Group. The EMS utilises the Risk Management Framework's criteria to identify, assess and manage risks, impacts and opportunities consistently. The EMS conducts regular reviews of its environmental and climate impact and risk profiles to ensure the Group maintains suitable oversight of current and future operating scenarios. As a minimum, XPS ensures its environmental risk register includes all the risks outlined in the Task Force on Climate-related Financial Disclosures (TCFD) Table A1.1, as well as ensuring appropriate elements of the TCFD's Table A1.2 are sufficiently assessed.

The Group's EMS applies to all XPS facilities. Components of the EMS are regularly audited internally to confirm the system's effectiveness. The British Standards Institution (BSI) conducts external certification and validation exercises on behalf of the Group to the international ISO 14001 standard. All outputs, findings or improvements generated by both internal and external assurance activities are managed in accordance with the Group's Risk Management Framework and reported to the relevant Board Committees, as detailed in the environment and climate-related governance structure on page 28. XPS has achieved official certification to ISO 14001 in 14 of its 16 office spaces. Of the two outstanding sites, one is due to be vacated by the end of 2026, and another was recently acquired by XPS in December 2025. XPS targets 100% certification in 2027.

Our environment and climate risk landscape

XPS climate risk horizons

TCFD strategy (A, B and C)

XPS is a UK-based professional services provider with no overseas presence. The climate-related impact on the value of the Group's asset base is assessed as low risk and immaterial. XPS has aligned its environmental and climate time horizons with the Science Based Targets initiative (SBTi), to which the Group is validated. These time horizons are deemed to effectively represent the Group's transitional milestones, relevant risks and the inherent uncertainty associated with the topic, including the potential for risks impacting assets and infrastructure to materialise.

Climate and environment time horizons

TCFD risk strategy (A)

Short term	The next 5 years	Well-understood risks and opportunities that are likely to materialise with a low-risk impact on key business, asset and property decisions.
Medium term	The next 5–10 years	Moderate uncertainty around the transitional operating environment with a growing impact on key business, asset and property decisions.
Long term	Beyond the next 10 years	Great level of uncertainty with a potentially material impact on key business, asset and property decisions.

XPS acknowledges the scientific and economic uncertainties surrounding climate change. Like all businesses, XPS expects its operations to adapt over time to better mirror the environmental and market conditions in which it operates, ensuring effective value creation. The Group expects its current strategy and approach to remain fundamentally stable and effective over the long term with minor adjustments anticipated. This approach includes operating within a scenario that aligns with the goal of achieving a low-carbon economy and keeping global warming to 2°C or below. Non-climate-related environmental risks to the Group are well documented via the Group's Environmental Management System (EMS). As a fully UK-based entity, the non-climate risk XPS poses to the environment and the risk the environment poses to XPS remain low and are assessed as financially immaterial and stable in all time horizons.

XPS uses its environmental risk management process, together with scenario analysis, to identify climate-related risks and business impacts. This includes considering recommendations from the TCFD 2021 Guidance for Strategy Recommendation C. The following information reflects the potential impact of climate-related risk on the Group. XPS does not anticipate climate change materially impacting the financial position of the Group.

Protecting our environment continued

Potential impact of climate-related risks and opportunities

TCFD strategy (A, B and C)

Climate-related risk	Time horizons			Impact TCFD risk strategy (A)
Adaptation and mitigation activities including operations and locations of facilities	S	M	L	Risk Potential adverse impacts include limited capacity for low-carbon products, market volatility, taxation, regulation, business costs and asset isolation likely materialising incrementally over time. XPS response and forecast To mitigate this risk, XPS is actively transitioning to a science-based low-carbon operation, budgeting for anticipated expenditure while recognising uncertainties regarding transitional costs, such as carbon taxation and technology. The XPS Transition Plan is designed to achieve a low-carbon operation with minimal impact on the Group's financial or operational performance, with a particular focus on avoiding reliance on unknown technologies. The Group's plan is not expected to have a material financial impact. Increased regulation and disclosure are expected over the long term but are not currently anticipated to have a material impact on the business or its financial performance. Property-related commitments may necessitate relocation before achieving 2035 objectives. Relocation costs are budgeted and expected to be immaterial with any risk of relocation spread over the short to medium term. Capital needs and market signals are continuously monitored and integrated into the Group's strategy and budgeting efforts.
Supply chain and/or value chain	S	M	L	Risk/opportunity Dependency on third-party failures could prevent XPS from fulfilling commitments. This may include long-term risks such as infrastructural decarbonisation failures (e.g. delay of decarbonisation of the national grid), limited supplier capacity, or non-viable products (e.g. net zero compliant products failing to meet XPS needs). XPS response and forecast By choosing complementary low-carbon suppliers, XPS can rapidly advance its net zero goals, potentially reducing long-term costs and minimising future capacity access issues. The Group's supplier management process evaluates supply chain activities and risks, monitoring carbon performance to pinpoint key risk areas, with findings reported to the Board to guide policy and supplier selection. XPS has observed notable voluntary commitments and transition activity within its value chain, particularly within our suppliers with elevated environmental impact. We therefore do not consider future access to sustainable suppliers to pose a material risk to the Group. A successful transition to a low-carbon supply chain ahead of the international 2050 net zero objective is anticipated to present potential cost-saving opportunities and may improve long-term taxation. Equipment and technology efficiencies are anticipated to provide significant long-term energy savings. Third-party risks are assessed within the Group's supplier selection process and strategy. XPS does not expect its supply chain strategy to materially affect XPS's financial position or expenditure in relation to climate.

Climate-related risk	Time horizons			Impact TCFD risk strategy (A)
Products and services	S	M	L	Risk/opportunity Client, investor and consumer preferences are increasingly shaped by a company's net zero and sustainability profile, potentially affecting XPS's access to these groups, with impacts likely to materialise gradually over time. XPS response and forecast XPS views these shifting preferences as both a risk and an opportunity. By effectively managing sustainability, XPS can leverage the growing demand for sustainable products, thereby increasing revenue by offering more eco-friendly services. Conversely, insufficient emphasis on sustainability may deter clients and investors. XPS expects this trend to develop over the long term and has appropriately aligned its business and product strategies to harness these opportunities while mitigating risks. The revenue impact is deemed immaterial, as sustainable products are predicted to become standard in the market, without significant cost implications. The Board remains informed of revenue trends and market expectations, guiding the Group's product strategy accordingly.
Market and product volatility (not relating to previously listed)		M	L	Risk/opportunity In the worst case scenarios, GDP could significantly decline, constricting the economy, reducing market access to capital and impacting liquidity and revenue opportunities for XPS, especially post-2050. XPS response and forecast XPS's strategy focuses on developing its product offering and diversifying its client base to achieve long-term, sustainable, robust and recurring revenue streams. By maintaining operational and financial resilience, XPS is positioned to capitalise on opportunities, available market capacity and strategic acquisitions where appropriate. The Board continuously monitors revenue streams, market conditions and indicators to inform decision making, strategy and capital planning. XPS's services that are required by statute, such as its pension services, are largely resilient to recessionary conditions. Market liquidity fluctuations pose both challenges and opportunities. While capital access might be affected, XPS believes it can still create value within these conditions. This risk is not expected to materially affect the Group's ability to generate value.
Climate-related weather events			L	Risk/opportunity Increased global extreme weather events could damage assets and disrupt supply and demand chains. XPS response and forecast The UK and, by extension, XPS are not expected to experience the worst climate change impacts. While supply chain disruptions could affect business continuity and cause price instability, these are not anticipated to materially impact XPS's ability to deliver services or create value. During extreme weather events, supplier activities are closely monitored by the Board, guided by the supplier management process and overall strategy.

The risks identified by XPS are expected to be consistent across its operational and geographic scope. Access to capital is not viewed as a material risk related to climate change for XPS. Where acquisitions and investments occur, prospects are evaluated for alignment with the Group's climate strategy and objectives. XPS commits to appropriately budgeting finances to address risks as necessary.

Protecting our environment continued

XPS scenario resilience

TCFD strategy (B and C)

XPS uses scenario analysis and modelling to explore how various scenarios could alter the Group's risk and opportunity profile. This analysis examines impacts across different scenario iterations and identifies interactions between XPS's strategy, risks and opportunities across time horizons beyond ten years, up to 2080, helping the Board make informed business decisions.

The Group's analysis models four scenarios developed by the Network for Greening the Financial System (NGFS), and viewed as most likely given current economic, political and scientific contexts. These scenarios include orderly transitions limiting warming to 1.5°C and 2°C, a disorderly delayed transition limiting warming to 2°C and a "hot house world" exceeding 3°C of warming. XPS has adopted NGFS assumptions regarding policy, technology, carbon removal and variations within each scenario.

XPS's analysis considers a range of impacts within each scenario, including changes in regulation, market conditions and asset status. It evaluates the magnitude of each impact across seven key operational areas: business continuity, reputation, compliance, operating landscape, access to capital and cash flow, and products and services. The likelihood of impacts materialising is assessed for each decade up to 2080. Each scenario is modelled with at least two distinct interactions. Incorporating 400 data points, this approach enhances data granularity and sensitivity.

The Risk Management Framework's risk terminology, likelihood and assessment criteria are applied to all scenario calculations, resulting in a predominantly qualitative assessment. This enables XPS to map and comprehend high-level risk materiality and exposure over time horizons. The Board uses this data to inform business decisions and understand the potential long-term impacts.

The XPS scenario assessment suggests that a smooth and orderly transition limiting warming to 2°C may provide the most favourable operating environment for XPS until 2080. XPS anticipates operating resiliently within this scenario with negligible adverse impacts on revenue, transitional costs and activities, operational conditions, asset status, or product offering, assessing the Group's risk as low. Conversely, the analysis shows that a failed transition could pose the least favourable conditions until 2100, with potentially significant and unpredictable impacts on global markets. Pensions remain inherently stable and robust enough to withstand these changes, making significant alterations in value creation or costs for XPS unlikely.

XPS is committed to maintaining its sustainable strategy across all identified and modelled scenarios, including a failed transition. The business is considered resilient to plausible physical climate change risks, with impacts rated as financially insignificant in each scenario. While transitional risks to the Group are viewed as low but emerging, they are monitored as a vital input in all scenarios.

Monitoring and advocating progress

TCFD metrics and targets (A and C)

Climate as an input

By delivering the XPS sustainability strategy, the Group can more effectively manage related risks and capitalise on opportunities. This is achieved by integrating climate considerations into business decisions, policies and activities. Relevant senior business leaders provide the Board with operational metrics, inputs and data points (as per the reporting structure detailed on page 28), which offer oversight of the Group's detailed performance, informing strategic and operational decisions.

Key climate metrics, performance indicators and inputs provided to the Board include those deemed most valuable for assessing the Group's climate risk and performance:

- carbon emissions in both absolute and intensity-based ratios, calculated and reported in both aggregate and disaggregate forms, including key sub-performance indicators:
  - proportion and deployment of renewable energy across the Group; and
  - the Group's kWh consumption, encompassing the achievement of low-energy lighting objectives;
- the Group's certification status;
- selection of sustainable products within the Group's investment offerings; and
- compliance and instances of environmental and/or climate breaches.

XPS has not implemented an internal carbon price but continues to monitor its adoption within the industry.

10% of each annual executive award is directly linked to the Group's Scope 1 and Scope 2 performance. Each award is applicable over a three-year period and final performance is reviewed, and outcomes assessed, at the end of each three year period.

The XPS Transition Plan

XPS has established a science-based carbon reduction plan that supports its commitment to operating in a manner that aligns with limiting warming to a maximum of 1.5°C. The Group's near-term reduction objectives were officially validated by the Science Based Targets initiative (SBTi) in summer 2025.

In summary, our plan aims to eliminate direct facility-related electricity emissions by 2030, using solely renewable energy within our offices. This is followed by a 100% reduction in gas-heating emissions by 2035 through proactive property selection and development.

In the long term, XPS plans to implement strategies to reduce indirect emissions where feasible, influencing internal culture and access to technology. The Group will rely on UK infrastructural decarbonisation and an effective supply chain. XPS is developing its approach to supplier management to support these objectives.

XPS forecasts a reduction of over 90% of its absolute baseline emissions by 2050, with remaining emissions expected to be removed or captured, meeting the Intergovernmental Panel on Climate Change (IPCC) and SBTi definitions of net zero. The cost and effectiveness of carbon sequestration remain uncertain and are managed as a business risk, as detailed in the Our environment and climate risk section on page 29.

XPS is developing a PPN06/21 conformant reduction plan which it anticipates publishing in 2026.

Business carbon performance update

In FY 2026, XPS continued to achieve reductions within its key carbon intensity metrics from the prior year – carbon revenue intensity ratio and carbon full-time employee (FTE) intensity ratio. XPS achieved a 28% reduction in revenue intensity and 24% reduction in FTE intensity (inclusive of its entire disclosed Scope 1, 2 and 3 emissions). This continued the trend established over the past five years, indicating that the XPS carbon reduction plan is operating effectively and successfully decoupling carbon emissions from business growth. A decrease of absolute emissions by 11% was observed during the financial period compared to the FY 2020 base year. XPS remains on track to achieve its science-based reduction targets.

Increased access to data has reduced our reliance on assumptions and increased our accuracy in the period leading to decreased Scope 1 emissions as our measure of efficiencies was improved. 91% of all energy consumed by XPS in the period was supplied by renewable or zero carbon sources. As at 31 March 2026, all XPS facilities are supplied by zero carbon electricity (from both certified and uncertified sources). 81% of XPS facilities (12 out of 16) are supplied with certified renewable energy, covering 70% of the Group's square footage and 75% of all kWh consumed during the financial year.

XPS submitted its first ESOS action plan update to the Environment Agency in relation to its target to install 100% LED or low-energy lighting by December 2026. Progress continues and XPS estimates that around 88% of all installations are now conformant with its objective.

Further information on the Group's carbon reporting and SECR disclosure can be found on **page 34**

Sustainability continued

Protecting our environment continued

Carbon metrics

TCFD metrics and targets (B)

Following the Group's SBTi validation, XPS has expanded the scope of its carbon disclosure to reflect its complete carbon inventory. This does not recalculate or adjust those emissions already disclosed.

Emission source[1]	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022	FY 2020
Scope 1						
Direct combustion kWh	**520,904**	1,078,243	1,111,288	1,327,752	1,283,082	1,259,410
Total Scope 1 emissions tCO_2e	**95.98**	198.26	208.20	243.59	236.24	232.35
Scope 2						
Imported energy kWh	**1,679,365**	1,283,786	1,434,335	1,648,044	201,272	1,980,755
Imported energy location based tCO_2e	**297.25**	265.81	297.01	318.70	453.74	506.28
Imported energy market based tCO_2e	**46.04**	45.47	116.22	184.64	435.53	442.15
Total Scope 2 (reportable emissions)	**46.04**	45.47	116.22	184.64	435.53	442.15
Scope 3[2]						
Category 1: purchased goods and services tCO_2e[3]	**3,165.52**	3,191.50	5,132.26	4,417.80	4,315.28	4,154.74
Category 2: capital goods tCO_2e[3]	**1,472.18**	3,311.66	Included with Category 1 emissions			1,431.81
Category 3: fuel and energy-related activities not included in Scope 1 or 2 tCO_2e	**130.61**	120.09	169.27	163.67	218.95	164.06
Category 4: upstream transportation and distribution tCO_2e	**168.35**	81.90	24.74	136.38	69.61	364.48
Category 5: waste generated in operations tCO_2e	**152.12**	76.85	112.13	102.94	387.49	258.21
Category 6: business travel tCO_2e[4]	**289.82**	340.63	199.86	162.29	62.24	245.34
Category 7: employee commuting and teleworking tCO_2e	**1,670.21**	1,355.95	1,175.76	1,189.87	1,069.06	845.69
Category 12: end of life treatment tCO_2e	**0.18**	0.27	0.55	0.66	0.97	0.63
Total Scope 3 emissions tCO_2e	**7,048.99**	8,478.85	6,814.57	6,173.61	6,123.60	7,464.96
Total inventory emissions	**7,191.01**	8,722.58	7,138.99	6,601.84	6,795.37	8,139.46
Carbon intensity ratios						
Revenue intensity – Scope 1 & 2 (tCO_2e/£m)[5]	**0.54**	1.05	1.63	2.57	4.83	5.62
Revenue intensity – Scope 1, 2 & 3, all categories (tCO_2e/£m)[5]	**27.00**	37.63	35.87	39.63	48.89	67.83
FTE intensity – Scope 1 & 2 (tCO_2e/FTE)[5, 6]	**0.07**	0.13	0.19	0.27	0.47	0.56
FTE intensity – Scope 1, 2 & 3 (tCO_2e/FTE)[5, 6]	**3.53**	4.62	4.16	4.21	4.72	6.77

1 All activities are UK based. tCO_2e = tonnes of CO_2 equivalent. All conversion to carbon is based on current Department for Energy Security and Net Zero (DESNZ) at the date 31 March 2026. Calculations are made in accordance with the SECR guidance and the GHG Protocol. Scope 1 and 2 emissions include all sources as required by SECR guidance.

2 XPS does not currently have any emissions to disclose within Scope 3 categories 8 to 15. This is attributed to either a lack of appropriate activities in the relevant emission category or the difficulty disaggregating emissions from other emission categories. XPS ensures its inventory is inclusive of all appropriate emissions.

3 XPS carried out its first disaggregation of Category 1 and Category 2 emissions in FY 2025. A retrospective calculation for the base year FY 2020 was also conducted. XPS did not conduct Category 2 disaggregation for the intervening period and, therefore, all capital goods emissions are included within the Category 1 accounting. All future disclosures shall include appropriate disaggregation of Category 2 emissions.

4 Category 6 business travel emissions includes teleworking/remote working as defined by the GHG Protocol.

5 Scope 2 emissions within this calculation reflect market-based energy emissions.

6 FTE = full-time employees as at 31 March 2026.

Looking ahead

For FY 2027, we remain committed to taking appropriate steps to advance our journey towards net zero, both where we have operational control and where we work with suppliers and partners:

- continue to maintain and increase ISO 14001 certification for our office locations;
- enhance our proportion of certified renewable energy where possible in our office locations; and
- continue our transition to 100% low-energy lighting.

Climate and environmental risk TCFD statement

The Group considers its operations to be well equipped, prepared and resilient to deal with the emerging risk of climate change. XPS considers the risk to be emerging as the true impact cannot currently be fully economically or financially understood or quantified at this time. The business continues to recognise the need to manage its climate and environmental risk responsibly to maintain operational effectiveness and achieve long-term societal sustainability. XPS anticipates that the impact of climate change and the associated risk are likely to be immaterial to the Group. XPS remains confident that it is prepared and adaptable to addressing emerging climate-related regulations and considers the impact to be immaterial.

Statements and disclosures throughout this report reflect conformance with all 11 recommendations of TCFD (pursuant to LR 9.8.6R(8)). This report should be read in conjunction. The index below directs readers to key specific relevant disclosures within this section and throughout this report.

	Governance	
✓	a) Describe the Board's oversight of climate-related risks and opportunities.	See Robust environment and climate governance on pages 27 to 29
✓	b) Describe management's role in assessing and managing climate-related risks and opportunities.	See Effective environment and climate risk management on page 29
	Strategy	
✓	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	See XPS climate risk horizons on page 29
✓	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	See Potential impact of climate-related risks and opportunities on pages 30 and 31 See Climate as an input on page 33
✓	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	See Potential impact of climate-related risks and opportunities on pages 30 and 31
	Risk management	
✓	a) Describe the organisation's processes for identifying and assessing climate-related risks.	See Effective environment and climate risk management on page 29 See Principal risks and uncertainties on pages 43 to 50
✓	b) Describe the organisation's processes for managing climate-related risks.	
✓	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
	Metrics and targets	
✓	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	See Monitoring and advocating progress on page 33
✓	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	See Carbon metrics on page 34
✓	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	See Robust environment and climate governance on pages 27 to 28 See Monitoring and advocating progress on page 33

✓ – fully compliant with TCFD recommendations ✗ – partially or non-compliant with TCFD recommendations

Non-financial and sustainability information statement

This section of the Annual Report and Accounts constitutes XPS Group's Non-Financial and Sustainability Information Statement, produced to comply with Sections 414CA and 414CB of the Companies Act 2006.

The following table sets out where, within our Annual Report and Accounts, we provide further detail on matters required to be disclosed under the sections above. In particular, it covers the impact we have on the environment, our employees, social matters, human rights, anti-corruption and anti-bribery matters, policies pursued and the outcome of those policies, and principal risks that may arise from the Company's operations and how we manage these, to the extent necessary for an understanding of the Company's development, performance and position and the impact of its activity.

Reporting requirement	Relevant policies[1], documents or reports that set out our approach	Section(s) and page(s)
Anti-bribery and corruption	• Bribery and gifts policy • Whistleblowing policy • Financial crime policy	See our "Being a Responsible Business" section on page 26
Business model		Business model, see pages 6 and 7
Employees	• Recruitment and selection policy • Inclusion and diversity policy • Flexible working policy • Anti-bullying and harassment policy • Grievance policy • Health and safety policy • Agile working policy • Family friendly policy • Sabbatical policy • Speak Up policy • Menopause policy	See our "Empowering Our People to Thrive" section on pages 18 to 21
Environmental matters	• Environmental policy	See our "Protecting Our Environment" section on pages 27 to 35
Description of principal risks and impact on business activity		See our "Principal Risks and Uncertainties" section on pages 43 to 50
Respect for human rights	• Data privacy policy • Modern slavery policy • Information & cyber security policy	See our "Being a Responsible Business" section on page 26 and our website www.xpsgroup.com/modern-slavery-statement
Social matters	• Matched fundraising policy • Corporate volunteering policy • Community giving policy	See our "Strengthening Our Communities" section on pages 22 and 23
Non-financial key performance indicators		Operating responsibly for all our stakeholders, see pages 16 to 35

1 Group policies are regularly reviewed and ExCo monitors adherence.

Chief Financial Officer's review

Continued strong organic growth and expanding our addressable markets

A great team effort to deliver another year of strong growth despite tough comparators and expanding into insurance consulting."

Snehal Shah
Chief Financial Officer

XPS has continued to perform strongly, with revenues growing 13% and organic growth of 7% being particularly pleasing given the very strong comparative prior year performance. Adjusted EBITDA grew 9% year on year; this includes the impact of the increase in employer's National Insurance in the year as well as the full-year impact of investing in growing our insurance consulting services. The prior year also includes the significant McCloud remedy project which we delivered efficiently through use of proprietary technology leading to high-margin revenues in FY 2025. All areas of the Group have performed well, and the Group has grown its services offered to insurance companies, following on from the investment made in this area. Revenues from insurers across all business units have tripled and now represent 10% of Group revenues. The Group's operational gearing remains strong. We are continuing to develop our proprietary administration platform, Aurora, and we are seeing the impact of this in our operational gearing. Continued investment in systems across the Group will provide longer-term benefits to our gearing in later years.

Group income statement

	Adjusted[1]			As reported		
	FY 2026 £m	FY 2025 £m	Change %	**FY 2026 £m**	FY 2025 £m	Change %
Revenue						
Advisory	**150.1**	125.5	20%	**150.1**	125.5	20%
Administration	**98.7**	93.7	5%	**98.7**	93.7	5%
SIP	**13.9**	12.6	10%	**13.9**	12.6	10%
Total revenue	**262.7**	231.8	13%	**262.7**	231.8	13%
EBITDA	**75.7**	69.7	9%	**59.7**	58.0	3%
Depreciation & amortisation	**(7.0)**	(6.8)	(3%)	**(16.5)**	(13.8)	(20%)
EBIT	**68.7**	62.9	9%	**43.2**	44.2	(2%)
Net finance expense	**(4.5)**	(3.4)	(32%)	**(4.5)**	(3.4)	(32%)
Profit before tax	**64.2**	59.5	8%	**38.7**	40.8	(5%)
Income tax expense	**(16.2)**	(14.4)	(13%)	**(12.1)**	(10.4)	(16%)
Profit after tax	**48.0**	45.1	6%	**26.6**	30.4	(13%)

1 Adjusted measures exclude the impact of exceptional and non-trading items: acquisition-related amortisation, share-based payments, corporate transaction costs, restructuring costs and other items considered exceptional by virtue of nature, size and incidence. See note 5 to the consolidated financial statements for details of exceptional and non-trading items.

Chief Financial Officer's review continued

Revenue

Total Group revenues grew 13% year on year. Organic[2] revenue growth was 7%. This follows on from three record years of double-digit growth.

The Advisory business performed well, with 20% year on year growth in revenues, of which 8% was organic[2]. The organic[2] revenue growth was driven by continuing high client activity levels driven by ongoing regulatory changes, demand for our risk transfer and GMP services as well as other project work, and inflationary increases in fees. Advisory accounted for 57% of Group revenues (FY 2025: 54%).

Administration revenues grew 5% year on year following on from large growth in previous years due in part to McCloud. Adjusting for McCloud, revenue growth was 18% driven by onboarding of new clients, inflationary increases in fees and growth in other project work. Administration accounted for 38% of the Group revenues (FY 2025: 40%).

SIP revenues were up 10% on the prior year, due to strong underlying sales of SIPPs. The SIP business has delivered its fourth consecutive year of double-digit growth.

Operating costs

Total operating costs (excluding exceptional and non-trading items) of £194.0 million (FY 2025: £168.9 million) grew by 15% year on year. The main drivers for the cost increases are an increase in headcount as the business grew (2,024 FTE vs 1,901 last year), the increase in employer's National Insurance driving an additional cost of approximately £2.5 million, inflationary/market-driven pay increases, higher bonus cost commensurate with the strong financial performance, the impact of a full year of Polaris costs following the acquisition in February 2025, and inflationary increases in other operating costs.

Adjusted EBITDA

Adjusted EBITDA grew by 9% year on year, and adjusted EBITDA margin was 28.8% (FY 2025: 30.1%). The slight decline in margin was due to McCloud being in the comparator period, the impact this year of the increased rate of employer's National Insurance, and further investments made in the Insurance Consulting services. Adjusting for the McCloud project impact in the prior year, and for the impact of the increase in employer's National Insurance this year, the adjusted EBITDA growth would have been comfortably ahead of revenue growth.

Adjusted profit before tax grew by 8% year on year, slightly below adjusted EBITDA because of increased finance costs due to the Polaris acquisition in February 2025.

Exceptional and non-trading items

Exceptional and non-trading items in the year totalled £25.4 million (FY 2025: £18.7 million). Amortisation of acquired intangible assets amounted to £9.5 million (FY 2025: £7.0 million).

Share-based payment charges were £8.0 million (FY 2025: £8.8 million). The prior-year comparator included an adjustment for the increase in employer's National Insurance which took effect from April 2025.

The Group also incurred £7.9 million of acquisition-related remuneration in respect of the Polaris acquisition in February 2025 (FY 2025: £3.9 million; see note 5 of the financial statements for more detail). £9.2 million of the cash upon completion relating to Polaris included a continuing employment clause, as does the further payment of up to £35 million payable in three years' time, which is also contingent upon achievement of certain stretching business objectives. As continued employment is one part of the contingent consideration test, according to IFRS 3, these amounts must be treated as a post-transaction employment cost accruing over the deferment period of three years. An amount, therefore, has been recognised in FY 2026 representing the acquisition-related remuneration expensed in the year. These amounts are material in size and one-off in nature and will continue to be for the next two years. These amounts will continue to be classified within the exceptional category in line with the Group's accounting policies. If the entire contingent acquisition-related remuneration is not payable at the end of the three-year period, any resulting credit will also flow through the exceptional category.

Tax on the non-trading items was a credit of £4.1 million (FY 2025: £3.9 million). This is driven by the unwinding of deferred tax liabilities linked to intangible assets acquired in previous periods and tax relating to share-based payments.

Net finance costs

Net finance costs for the year were £4.5 million (FY 2025: £3.4 million). The increase is due to a higher loan balance throughout FY 2026 compared to the prior year due to the acquisition of Polaris.

2 Organic means excluding the impact of the Polaris acquisition which completed on 28 February 2025. Polaris contributed revenues of £16.1 million in Advisory in FY 2026.

Taxation

A tax charge of £16.2 million (FY 2025: £14.4 million) was recognised on adjusted profits. This represents an effective tax rate of 25% (FY 2025: 24%). The Group also recognised a tax credit of £4.1 million (FY 2025: £3.9 million) on exceptional and non-trading items, which resulted in an overall tax charge for the year of £12.1 million (FY 2025: £10.4 million). The growth in trading performance drove the increase in tax charges in the year compared to the prior year.

Our businesses continue to generate considerable tax revenue for the UK government. For the year ended 31 March 2026, we paid corporation tax of £11.0 million (FY 2025: £11.2 million); we collected employment taxes of £44.8 million (FY 2025: £36.5 million) and VAT of £40.5 million (FY 2025: £36.9 million). Additionally, we have paid £1.4 million (FY 2025: £1.3 million) in business rates. The total tax contribution of the Group was, therefore, £97.7 million (FY 2025: £85.9 million), which equates to 37% of revenue (FY 2025: 37%).

EPS

Basic EPS for FY 2026 decreased by 12% year on year to 13.0p (FY 2025: 14.7p) – the decrease is largely due to the additional post-acquisition remuneration for the Polaris acquisition discussed above.

Adjusted fully diluted EPS grew 8% year on year to 22.3p in FY 2026 (FY 2025: 20.6p), driven by the strong revenue growth as well as continuing control over costs within the business.

Dividend

A final dividend of 9.1p is being proposed by the Board (FY 2025: 8.2p). The final dividend, which amounts to £19.0 million (FY 2025: £16.7 million), will be paid on 21 September 2026 to those shareholders on the register on 21 August 2026.

Cash flow, capital expenditure and financing

Non-GAAP cash flow	**31 March 2026 £m**	31 March 2025 £m
Operating		
Adjusted EBITDA	**75.7**	69.7
Change in net working capital[1]	**(7.0)**	(3.0)
Adjusted operating cash flow (OCF)[2]	**68.7**	66.7
OCF conversion	***91%***	*96%*
Financing & tax		
Net finance expense	**(4.3)**	(3.5)
Taxes paid	**(11.0)**	(11.2)
Proceeds from loans	**8.0**	31.0
Repayment of lease liabilities	**(2.3)**	(2.0)
Share-related movements	**(21.3)**	(19.7)
Net cash flow after financing	**37.8**	61.3
Investing		
Acquisition	**—**	(24.1)
Capex	**(9.9)**	(8.2)
Net cash flow after investing	**27.9**	29.0
Dividends paid	**(25.0)**	(22.2)
Exceptional items	**(0.8)**	(2.1)
Movement in cash	**2.1**	4.7
Net debt[3]	**46.2**	40.3
Leverage	**0.64x**	0.57x

1 Change in net working capital exclusive of corporate transaction costs detailed in note 5 to the consolidated financial statements.

2 Appendix 2 provides a reconciliation of this figure to the operating cash flow presented in the consolidated financial statements.

3 Net debt constitutes long-term borrowings and contingent consideration, less cash. See note 20 to the consolidated financial statements for a reconciliation of this figure.

Chief Financial Officer's review continued

Cash flow, capital expenditure and financing continued

The Group has demonstrated strong cash management in the year. Adjusted operating cash flow increased by £2.0 million, driven by a £6.0 million increase in adjusted EBITDA offset with a £4.0 million decrease in net working capital year on year. This decrease was expected due to the timing of billing in the year and the prior year on project work. Overall, this resulted in adjusted operating cash flow conversion of 91% compared to 96% in the prior year.

Taxes paid in the year of £11.0 million (FY 2025: £11.2 million) were lower than the prior year, due to tax adjustments for prior years computed during the year.

During the year, the Group drew down net £8.0 million of the revolving credit facility (RCF) (FY 2025: £31.0 million predominantly to fund the acquisition of Polaris Actuaries and Consultants Limited). Interest paid on the loan balance amounted to £3.7 million (FY 2025: £2.3 million); £0.6 million was paid on interest relating to leases in the year (FY 2025: £0.3 million). In the prior year, loan arrangement fees paid amounted to £1.0 million. The prior year also included £0.1 million of interest income received. Capital expenditure in the year amounted to £9.9 million (FY 2025: £8.2 million) with £2.1 million spent on leasehold improvements and office fit-outs and the remaining £7.8 million on software development, enhancements to our platforms, cyber security and other IT equipment. £2.3 million relating to leases was paid in the year (FY 2025: £2.0 million).

The prior-year acquisition cash flow relates to the acquisition in February 2025 of Polaris Actuaries and Consultants Limited.

The Group spent £20.9 million (FY 2025: £18.7 million) on acquiring its own shares via its EBT, to be used to settle employee share options as they vest. £0.9 million (FY 2025: £0.6 million) was paid to employees as dividend equivalents on the vesting of share options as well as incurring £1.8 million of employer's National Insurance (FY 2025: £1.3 million). Offsetting this was £2.3 million of cash received from employees on the exercise of SAYE options (FY 2025: £0.9 million). After paying £25.0 million in dividends, and £0.8 million in exceptional costs relating to the Polaris acquisition, the Group cash balance increased by £2.1 million year on year to close at £16.8 million. The Group had drawn down £63.0 million of its £120.0 million RCF at 31 March 2026, resulting in net debt of £46.2 million, an increase of £5.9 million year on year.

Going concern

Details on the Directors continuing to adopt the going concern basis in preparing the financial statements can be found in the Viability Statement in the Strategic Report in the Annual Report. The Directors have confirmed that, after due consideration, they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Subsidiary undertakings

The subsidiary undertakings of the Group in the year are listed in note 29 in the Annual Report.

Snehal Shah

Snehal Shah
Chief Financial Officer
17 June 2026

Appendix: Reconciliation of reported/statutory results to alternative performance measures (APMs)

In order to assist the reader's understanding of the financial performance of the Group, it continues to present a range of results metrics to demonstrate its performance. These include those presented in accordance with International Accounting Standards (IFRS) and APMs. APMs exclude specific exceptional and non-trading items as set out in note 5.

An explanation of the Group's key APMs has been detailed below:

APM	Closest equivalent statutory measure	APM definition and purpose
Adjusted EBITDA	Profit/loss from operating activities	**Definition:** Earnings before interest, tax, depreciation and amortisation excluding exceptional and non-trading items. **Purpose:** A recognised APM which has been central to the business over many years and through different ownership structures. It allows the Group to monitor the underlying trading performance of the business without the impact of external and exceptional and non-trading factors distorting the figures.
OCF conversion	Net cash from operating activities	**Definition:** The conversion of adjusted EBITDA into cash. **Purpose:** Measures how well the Group is managing its operating cash flows. Unlike net cash from operating activities, it excludes the impact of tax and exceptional and non-trading items and, therefore, allows for a direct and like-for-like comparison to the Group's key profit-related APM, adjusted EBITDA.
Adjusted diluted EPS	Diluted earnings per share	**Definition:** Reflects the profit after tax, adjusted to remove the impact of exceptional and non-trading items. Details of this can be found in note 5 as well as in the reconciliations on the following page of this Chief Financial Officer's Review. **Purpose:** Presents an EPS measure used more widely by investors and analysts and more in line with how the Group's dividends are calculated.
Leverage	Cash and cash equivalents	**Definition:** Leverage ratio showing the amount of third-party debt excluding leases (net of cash held) relative to the last 12 months' adjusted pro-forma EBITDA. **Purpose:** Management can measure exposure to reliance on third-party debt. Leverage is the key measure in reporting to the Group's banks and driving the interest rate margin which is added to SONIA to determine the all-in rate payable.

Chief Financial Officer's review continued

A reconciliation of the Group's APMs to their closest statutory measures has been provided below:

1. Adjusted EBITDA

	31 March 2026 £m	31 March 2025 £m
Profit from operating activities	**43.2**	44.2
Depreciation and amortisation	**16.5**	13.8
Other exceptional and non-trading items[1]	**16.0**	11.7
Adjusted EBITDA	**75.7**	69.7

2. OCF conversion

	31 March 2026 £m	31 March 2025 £m
Profit from operating activities	**43.2**	44.2
Depreciation and amortisation	**16.5**	13.8
Other exceptional and non-trading items[1]	**16.0**	11.7
Trading EBITDA	**75.7**	69.7
Net cash from operating activities	**55.2**	41.8
Income tax paid	**11.0**	11.2
Cash exceptional and non-trading items[2]	**2.5**	13.7
Adjusted operating cash flow	**68.7**	66.7
OCF conversion	**91%**	96%

3. Adjusted diluted EPS

	31 March 2026 £m	31 March 2025 £m
Profit after tax and total comprehensive income for the year	**26.6**	30.3
Adjustment for exceptional and non-trading items (net of tax)[1]	**21.3**	14.8
Adjusted profit after tax	**47.9**	45.1
Dilutive weighted average number of shares ('000)	**214,609**	219,437
Adjusted diluted EPS (pence)	**22.3**	20.6

4. Leverage

	31 March 2026 £m	31 March 2025 £m
Cash and cash equivalents	**16.8**	14.7
Bank debt	**(63.0)**	(55.0)
Contingent consideration	**—**	—
Net debt[3]	**(46.2)**	(40.3)
Trading EBITDA	**75.7**	69.7
Impact of IFRS 16 ignored for bank covenants purposes[4]	**(3.5)**	(3.3)
Pro-forma impact of M&A transactions in year[5]	**—**	4.5
Adjusted EBITDA for covenant	**72.2**	70.9
Leverage	**0.64x**	0.57x

1 See note 5 of the consolidated financial statements.

2 This is the cash element of exceptional and non-trading items: National Insurance on share-based payments (note 10 of the consolidated financial statements) and payment of transaction costs relating to the Polaris acquisition in February 2025 (FY 2025: National Insurance on share-based payments, £9.2 million of Polaris prepaid consideration, and related transaction costs).

3 See note 20 of the consolidated financial statements.

4 The Group's banking facilities agreement ignores IFRS 16 for covenant test purposes. Debt excludes lease-related liabilities and to be on a consistent basis adjusted pro-forma EBITDA includes rent-related costs as an operating expense unlike in the statutory income statement where they are treated as depreciation of right-of-use assets with a related financing cost.

5 Pro-forma-related adjustments reflect the impact of M&A-related transactions as if they had been included for the whole financial year. The FY 2025 adjustment is to reflect the Polaris acquisition taking place on 1 April 2024 (i.e. it includes Polaris for the whole year).

Principal risks and uncertainties

Managing risk effectively

The Group deploys a comprehensive risk management and internal control framework. This enables it to identify and manage risk proactively, supporting the growth of the business. Effective risk management provides the Group with fully articulated risks, enabling it to manage uncertainty and embrace opportunity.

XPS Group is inherently exposed to a wide range of risks which, should they materialise, could have a material impact on its financial performance, reputation or operational resilience.

Risk management highlight

Over the last year our risk management and internal controls framework has continued to operate effectively. This has enabled us to respond to those evolving risks inherent in our day-to-day operations, alongside supporting new opportunities and initiatives. The Group's risk environment is actively reviewed by senior management alongside the internal control frameworks in place to ensure that controls continue to be effective. Internal and external assurance frameworks support this, ensuring regular, planned reviews to validate control design and effectiveness, as well as highlighting opportunities for further improvements. Cybercrime continues to be a key focus for senior management, recognising the threats to the Group from phishing, ransomware and supply chain attacks.

We continuously develop our risk management capabilities to support the Group and address the evolving threats in our market. Since the last report, there has been a number of significant enhancements, including:

Enhancing the existing risk and controls frameworks and assessments, taking into account the introduction of Provision 29 in the UK Corporate Governance Code. This includes workshops with senior management to:

- review critical risks, agree material controls and develop the existing frameworks managing these areas;
- map existing assurance frameworks in use across the Group to relevant critical risk controls, alongside the level of coverage they provide;
- agree desired levels of assurance to support disclosure in the FY 2027 Annual Report and Accounts; and
- support regular reporting to, and active engagement with, the Audit & Risk Committee to ensure it is comfortable with the programme of work in place to support future mandatory declarations.

Reviewing the existing fraud prevention framework and fraud risk assessment in light of the failure to prevent fraud aspect of the Economic Crime and Corporate Transparency Act with support from external consultants. This combines a regular self-assessment process with fraud risk and control leads from relevant business areas and central functions with targeted reviews for potential high-risk areas.

Strengthening the control management framework by outlining roles and responsibilities of control leads and owners through the control management policy, which improves control ownership and accountability.

Supporting new initiatives, such as the adoption of artificial intelligence technologies, providing guidance on the inherent threats and opportunities and ensuring appropriate guardrails are in place.

Active engagement with key change management programmes focusing on high-risk project areas while recognising potential opportunities with support from external subject matter experts.

Continuing to improve the incident management framework. This includes enhancing the existing supporting documentation (BC plans, IT runbooks and incident-specific playbooks) while engaging regular scenario testing and executive-level exercises.

Enhancing the sustainability framework by achieving the SBTi validation of XPS's short-term net zero objectives, expanding the official certification of the Group's ISO 14001 programme from 7 sites to 14 in 2026 and improving the EcoVadis sustainability scorecard.

Continuing to develop the existing Risk team and its capabilities, through supporting staff to develop their subject matter expertise in their respective areas. This includes cross-training to allow holistic risk management across multiple domains.

Principal risks and uncertainties continued

Our Risk Management Framework

Risk appetite

XPS recognises the need to take risks to help its customers to achieve their objectives and achieve commercial success. We will seek to take risks where we have the skills to exploit that risk and manage it within risk appetite and avoid and minimise risks where it is unrewarded, or it cannot be well managed or understood.

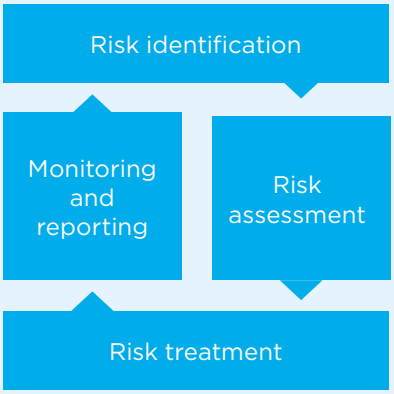
Risk governance and three lines of defence

The Board of Directors has the ultimate responsibility for risk management and internal control, including for the determination of the nature and extent of the critical risks it is willing to take to achieve its strategic objectives.

The Group has established a Committee governance structure (see below) at both the Board, the Subsidiary Boards and management levels to provide oversight and challenge on the implementation of the policy and framework across all areas and risk types within the Group. The Group also applies the principles of the three lines of defence model in its risk management approach:

Risk management process

XPS uses an iterative risk management process (risk identification, risk assessment, risk treatment, monitoring and reporting) to help business areas and central functions to actively manage all risks across the Group.



Risk register

The risk register incorporates a top-down Group risk register focusing on critical risks faced at the Group level, and bottom-up registers including risk registers for each business area and central functions. There are also specialist risk registers which allow deep-dives into particular risk types.

Enablers: System, process, people, culture

The Board, with the support of the Audit & Risk Committee, has identified the principal risks that could materially impact the Group's ability to achieve its objectives and deliver its strategy. These include general business risks that are faced by the Group and are comparable to those that would be faced by similar businesses operating in the same sector as the Group. These general business risks include:

- **Political/economic/social** – risks created by the political, economic, financial and social environment in which we operate, e.g. war, demographic trends, pandemics, government influence on business, currency changes, market volatility, interest rates or liquidity.
- **Competition** – risks of change to the demand side of the business due to changes in customer demands or competitors likely to influence the entire industry, e.g. aggressive competitor pricing, consolidation trends, major technological innovation, or substitute technologies. These changes may not directly affect the Group but could influence the entire industry.
- **Legal and regulatory** – risks associated with the criminal and civil judicial processes and contract law, e.g. not identifying changes required by new legislation, increased litigation in a particular field, or industrial accidents.

Principal risks

Our principal risks have remained stable since last year. Principal risks are defined as those risks that we determine to have a "critical" impact on XPS at its inherent level as a business across the four pillars referenced in the updated Corporate Governance Code: operational, compliance, financial and reporting. These risks are owned and managed by a member of the senior executive or senior management who has accountability for ensuring that the risk is effectively managed.

We recognised that it is good practice to regularly review our principal risk profile to ensure its relevance and in line with our strategies. Recently, the Board reviewed the principal risks in response to the introduction of Provision 29 in the UK Corporate Governance Code with the support of external advisers. The review focuses on identifying risks that are critical to XPS as a business, supporting a risk-focused approach to identifying material controls.

The principal risks and uncertainties are detailed below. We disclose links to the strategy, mitigating actions, an update for this year and the key focus for FY 2027 to manage the risk and improve internal control for each risk.

Links to strategy:

- Regulatory change
- Grow market share
- Expand services
- Mergers and acquisitions

Change during the year:

- Increased risk
- Stable
- Improving

Regulatory and legislative non-compliance

Link to strategy	Trend

Description

Failure to comply with regulatory requirements could result in regulatory penalties, reputational damage and potential operational disruption (e.g. loss of licence to operate). The evolving regulatory landscape and changes in legislation exacerbate non-compliance risk. Critical regulatory and legislative compliance areas include:

- Financial Conduct Authority (FCA);
- Market Abuse Regulation (MAR);
- Competition and Markets Authority (CMA);
- anti-money laundering (AML); and
- occupational health and safety requirements.

Update

This risk remains stable since the prior year. We continue to monitor regulatory reporting and regulatory change.

Key mitigating actions

- Horizon scanning and regulatory change processes to ensure that regulatory changes are interpreted correctly and responded to in a timely and comprehensive manner
- Use of Insidetrack system to automatically manage insider list
- Bespoke training on MAR responsibilities
- Annual financial crime training for all staff and bespoke training for FCA regulated businesses, reflecting FCA expectations
- Review between Finance and Compliance to ensure that key financial reporting to the FCA is accurate
- Compliance monitoring reviews

Focus for 2027

Alongside the continuation of our existing key mitigating actions we will:

- continue to review and develop our ongoing training programme on key compliance areas, to keep pace with changes in legislation and any emerging thematic risks identified;
- keep under review AML risks and key controls to address any emerging risks identified; and
- enhance the compliance monitoring programme to ensure review of the current, emerging and ongoing key regulatory risks relevant to the FCA regulatory businesses.

Principal risks and uncertainties continued

Links to strategy:

- Regulatory change
- Grow market share
- Expand services
- Mergers and acquisitions

Change during the year:

Increased risk | Stable | Improving

Client service delivery errors and claims

Link to strategy | **Trend**

Description
New or historical errors in client service delivery, both advice provided to clients or in pension administration, could result in legal claims, financial liabilities, reputational damage and loss of clients. Errors could be caused by staff, system, process or oversight issues.

Update
This risk remains stable since the prior year.

Key mitigating action
The Group recruitment process ensures only high-calibre staff are recruited, who are then supported by training programmes. Staff use standardised documented processes and checklists for key processes. Higher-risk work is identified with peer review and additional sign-off required, with regular quality audits to confirm processes are being followed correctly. There are also built-in controls in key business systems and an authorisation process for major transactions that require checks and sign-offs from a senior member of the team. Insurance arrangements are in place to limit the loss should an error occur. Root cause analysis is used to identify where controls improvements are required, which are monitored through to implementation.

Focus for 2027
Alongside the continuation of our existing key mitigating actions, we will:

- continue to enhance the root cause analysis as part of the claims management process;
- continue to increase the coverage of automated controls embedded in systems; and
- continue to ensure that there is an authorisation process in place where manual checks are substitutes for system built-in controls.

Critical systems and disruption

Link to strategy | **Trend**

Description
Disruption to critical systems may arise from cyber-attacks, internal system failures or third-party service disruptions. This disruption could lead to operational disruption, loss or theft of confidential data, increased costs for resolution efforts, regulatory penalties, reputational damage and loss of clients.

Update
The risk remains stable since the prior year. We will continue to monitor any potential threats to critical systems, especially cyber-attacks. Additional assurance is provided through the existing Cyber Essential Plus certifications and by having appropriate insurance policies in place.

Key mitigating action
The Group has an Information Security Management System (ISMS) in place to ensure that risks are identified and managed effectively. This includes a range of technical controls policies and procedures, supported by a dedicated Cyber Security team, and a 24/7 Security Operations Centre. These are supported by regular independent audits and penetration tests.

All staff are provided with comprehensive policies and guidance, an awareness of key topics reinforced with a programme of training and testing initiatives, e.g. phishing awareness. The Group has dedicated business continuity frameworks and capabilities to minimise the impact of incidents affecting the Group's data, facilities or systems. These frameworks include incident management capabilities to allow the Group to effectively co-ordinate and communicate with stakeholders in the case of a significant incident.

Focus for 2027
Alongside the continuation of our existing key mitigating actions we will:

- continue to engage in threat intelligence by identifying the tactics, techniques and procedures that threat actors use to cause disruption; and
- continue to evaluate and implement new cyber defence tooling to minimise our exposure to cyber threats.

Sensitive data breach

Link to strategy | **Trend**

Description
A sensitive data breach may result from cyber-attacks, internal system vulnerabilities, process failures or third-party breaches. This includes non-compliance with data protection regulations (including GDPR) in collecting, processing, storing or using sensitive data. A sensitive data breach can lead to regulatory penalties, loss of licence to operate, reputational damage and client attrition.

Update
The Group has continued to develop its capabilities, recognising the continued evolution of this risk. The risk remains stable since the prior year.

Key mitigating action
The Group has a range of data protection policies and processes in place and has implemented robust controls to ensure that it is GDPR compliant. All staff are fully aware of these policies, with awareness of key topics reinforced with annual training and testing initiatives, e.g. phishing awareness.

The Group has an Information Security Management System (ISMS) in place to ensure that risks are identified and managed effectively. Additional assurance is provided through the Cyber Essential Plus certification and by having appropriate insurance policies in place. This includes a range of technical controls policies and procedures, supported by a dedicated Cyber Security team, and a 24/7 Security Operations Centre. These are supported by regular independent audits and penetration tests and purple team testing.

The Group has dedicated business continuity frameworks and capabilities to minimise the impact of incidents affecting the Group's data, facilities or systems. These frameworks include incident management capabilities to allow the Group to effectively co-ordinate and communicate with stakeholders in the case of a significant incident.

Focus for 2027
Alongside the continuation of our existing key mitigating actions, we will:

- continue to enhance our threat assessment capability to ensure controls are addressing new and emerging threats; and
- continue to evaluate and implement new cyber defence tooling to minimise our exposure to data breaches.

Third-party or supplier disruption

Link to strategy | **Trend**

Description
XPS is reliant on critical third parties and suppliers. These critical third parties and suppliers are exposed to significant risks, such as cyber-attacks, data breaches and operational disruption. If these risks materialise, this could lead to XPS facing operational disruption, increased costs for resolution efforts, regulatory penalties, reputational damage and loss of clients.

Update
The risk remains stable since the prior year.

Key mitigating action
XPS operates a third-party management framework which ensures that all suppliers meet the necessary requirements to protect the information assets they may be given access to.

The Group has a formal selection process that ensures due diligence is carried out before access is granted to client information. XPS uses a supplier management platform, Mitratech, to assist with managing its third-party suppliers and to ensure they comply with the standards required by XPS Group and its clients. Suppliers are contractually required to meet the XPS Baseline Security Requirements. The approvals and signing framework also ensures contracts include key risks relating to services provided and identified risks are managed and accepted prior to agreements being signed.

All third parties are reviewed prior to any access to information being granted and at regular intervals during the life of the contract, with key third parties being reviewed at least on an annual basis. We also regularly monitor service delivery, general governance and financial status of all key suppliers we contract with through ongoing performance review meetings.

Focus for 2027
Alongside the continuation of our existing key mitigating actions we will:

- explore the use of AI technology to enhance and streamline the procurement and third-party risk management process;
- leverage the due diligence platform to better understand the information security, business and financial controls our suppliers have in place; and
- enhance the use of external data sources to develop monitoring and drive targeted risk assurance activities.

Principal risks and uncertainties continued

Links to strategy:

- Regulatory change
- Grow market share
- Expand services
- Mergers and acquisitions

Change during the year:

Increased risk | Stable | Improving

Misappropriation of client funds

Link to strategy | **Trend**

Description
XPS employees across all business areas and central functions could collude to commit large-scale fraudulent activities. This risk arises from factors such as opportunity (e.g. weak controls or oversight), motivation (e.g. financial difficulties), and rationalisation of fraudulent behaviour. Such activities could result in significant financial loss, regulatory penalties, loss of licence to operate, reputational damage and client attrition.

Update
This risk remains stable since the prior year.

Key mitigating action
- Approval and signing matrix which sets out requirements and approval processes for major transactions
- Documented authorisation requirements for each client, including named authorisers and required review steps
- Automated controls built into systems that mandate segregation of duty
- Regular system access review including privileged user access
- Bespoke training pathways to ensure that staff are appropriately trained for the role

Focus for 2027
We will continue to monitor the effectiveness of existing key mitigating actions.

Strategic opportunity or execution mismanagement

Link to strategy | **Trend**

Description
There is a risk that XPS misses significant strategic opportunities or fails to adapt to an evolving market. This could be driven by ineffective identification or execution of strategic goals. This could result in reduced market share, diminished competitive advantage and erosion of shareholder value.

Update
The risk remains stable since the prior year.

Key mitigating action
- Regular review of market developments and strategic opportunities performed at the Executive Committee level as well as the plc Board
- Monthly forums for each key project that monitor workstream progress, key milestones, lessons learned, bottlenecks, financial planning and budgeting, and action plans
- Interaction with and support from third-party advisers
- Annual strategy day with the plc Board

Focus for 2027
We will continue to monitor the effectiveness of existing key mitigating actions.

Financial reporting risks

Link to strategy **Trend**

Description

- General risk of error leading to inaccurate financial information being used to inform strategic decision making, investment decisions and operational planning
- Financial reporting fraud and management override of controls
- Judgemental error(s) leading to material financial misstatement, especially in areas requiring significant management judgement and assumptions including alternative performance measures, valuation of goodwill and intangibles and accounting for significant projects such as mergers and acquisitions

Update

This risk remains stable since the prior year.

Key mitigating action

- The Group's Executive Committee meets each month to discuss the operational and financial performance of the business. Detailed financial performance reports are produced by Finance supplemented by commentary from divisional/functional heads.
- Flash revenue and contribution results are reviewed on a figures call each month ahead of the Executive Committee meeting. The figures call is attended by the Co-CEOs, CFO, Group Financial Controller and business unit heads as well as other members of the Finance team. This allows a more focused agenda for the Executive Committee not purely reviewing past results.
- Monthly management accounts including detailed divisional financial analysis are produced by the Group Finance teams and tabled at each monthly Executive Committee meeting.
- Monthly management accounts are submitted to the Board and discussed at the appropriate Board meetings.
- The executive team presents on financial and operational performance at all Board meetings. Divisional heads may also be invited to present where required.

Focus for 2027

We will continue to monitor the effectiveness of existing key mitigating actions.

Principal risks and uncertainties continued

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks are those listed above. The Directors do not believe there to be any additional emerging risks that are not already addressed within the Principal Risks and Uncertainties section.

The Directors confirm in the Directors' Responsibility Statement that they consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Emerging risk

XPS Group continuously reviews its external and internal environments for emerging risks[1]. Emerging risks are distinguished from current risks by the high degree of uncertainty as to how and when the risk will crystallise and its impact on XPS:

Disrupter technology

Scenario	The emergence and adoption of technology
Impact	There is a risk that large professional service technology consulting companies enter the pensions sector and use innovative technology (e.g. artificial intelligence, quantum computing) to automate the pension calculation posing a competitive advantage and consequently a threat to XPS's services. An inability for XPS to capitalise on this technology could result in missed opportunities.
Mitigation	Effective governance over emerging technology and AI-related risks and opportunities through AI policy and cyber security risk governance channels means that the business can be supported to identify and take advantage of opportunities whilst effectively managing inherent risks.

Escalating geopolitical tensions

Scenario	The US/Israel conflict with Iran and the Russia/Ukraine conflict have brought geopolitical tension which has major wider impacts on the global economy
Impact	Major supply chain disruption and claims supply chain inflation. Increased cyber risk to operations.
Mitigation	Closely monitor geopolitical and macroeconomic factors that may have a major impact on the XPS key business activities.

1 Please refer to the sustainability section for emerging risks under the sustainability framework.

Viability statement

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the reports referred to in the Directors' Report pages 94 to 97.

The Directors have assessed the long-term prospects of the Group based upon business plans and cash flow projections for the three-year period ending 31 March 2029. The three-year period was chosen as it is considered the longest timeframe over which any reasonable view can be formed. The forecasts and cash flow projections being used to assess going concern cover the period up to October 2027. A 16-month period from the sign-off of the accounts is used for the going concern review as the Group produces more detailed budgets and forecasts for this timeframe which have proved to be very reliable in the past. October is typically the lowest point in the Group's working capital and cash cycle, which is why the going concern review extends to October 2027.

The forecasts prepared incorporate the Directors' best estimate of the amount payable as per note 23 of the financial statements in the year ended 31 March 2029 to the former owners of Polaris Actuaries and Consultants Limited related to the acquisition of this entity in February 2025, in line with the terms of the share purchase agreement.

The forecasts prepared have been comprehensively stress-tested. The stress-testing involved removing revenue relating to a large part of customers' discretionary spend from the Group's revenue forecasts. A high percentage of the Group's revenue relates to compliance work which is non-discretionary. Mitigating actions, which include reducing certain non-fixed costs, were also factored into the stress-testing.

In forming their opinion, the Directors have performed a robust assessment of the principal risks and uncertainties facing the Group as set out on pages 43 to 50. In addition, note 2 of the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit risk, liquidity risk and market risk.

The Directors believe that dramatic changes in the future development and size of the pensions market which underpin the strategy of the Group as well as risks relating to cyber security including ransomware attacks could threaten the longer-term viability of the Group. These risks have been considered in detail, including potential mitigating actions and the direction of travel for these specific risks, on pages 43 to 50.

The Group had £16.8 million of cash at 31 March 2026. The Group's revolving credit facility extends to March 2029. The facility is for £120 million, with an accordion of £50 million. In April 2026 the Group triggered an option to extend the facility for a further year out to March 2030. This was agreed by the lenders on 27 May 2026. At 31 March 2026, £63 million of this facility was drawn. The facility is subject to two covenants: net leverage and interest cover. These covenants are forecast to be met throughout the viability period. Further details of the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described within the financial statements and notes.

Having reviewed the identified risks, the Directors are confident that the business is robust and resilient enough to tackle any challenges that may arise over the three-year viability period in relation to the Group's exposure to credit risk, liquidity risk and market risk. Of the three, the Directors consider market risk to be the most significant to the Group.

With regard to market risk, the Directors have assessed the current market conditions and the potential impact of regulatory changes, as discussed in the Markets Overview section on pages 8 and 9 The Directors' assessment of the market is that there is considerable opportunity in light of regulatory change and anticipated transaction volumes in discretionary project income and continued requirements from customers for non-discretionary revenues, and any risks identified are managed by the Group's risk strategy and are not considered to be material risks to the Group's viability over the next three years.

The Group has a strong balance sheet, access to financial resources and long-term growth prospects. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

Even in the worst case scenarios considered plausible by the Directors, the cost reduction actions available to the Group, the reduction of non-essential capital expenditure and the management of working capital are expected to be effective and sufficient to ensure the continued viability of the Group.

After making enquiries and approving the forecasts, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due over the assessment period. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. At the same time, the Directors also considered the appropriateness of adopting the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Group's and the Parent Company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements.

This Strategic Report has been approved by the Board and signed by order of the Board:

Paul Cuff

Paul Cuff
Co-Chief Executive Officer
17 June 2026

Ben Bramhall

Ben Bramhall
Co-Chief Executive Officer
17 June 2026

Chair's introduction

Strong governance, strengthened leadership

Supporting effective oversight, long-term stewardship and sustainable value creation.

This year's Board changes reflect a continued focus on renewal, succession and maintaining the skills and perspectives needed for effective governance. Against an evolving governance landscape, we remain committed to high standards."

Martin Sutherland
Independent Non-Executive Chair

Board changes

This is my first Annual Report as Chair, following my appointment and succession of Alan Bannatyne in September 2025. Alan's retirement was in line with the Corporate Governance Code's recommendation that a Director's tenure should not exceed nine years.

This financial year saw a number of other changes to the Board. In March 2026, Margaret Snowdon OBE stepped down from the Board after completing nine years of service. Both Alan and Margaret guided the Board through a transformational period for the business, during which our revenues increased five-fold to £262.7 million. Margaret and Alan's contributions to XPS have been significant and we thank them both for everything they have done.

In line with the Group's succession plan, we also welcomed two new Non-Executive Directors in March 2026, April Talintyre and Michelle Cracknell. Both April and Michelle bring extensive financial services experience, and skill sets that will complement and further strengthen the Board's expertise.

Directors' remuneration

During the year, Imogen Joss, as Remuneration Committee Chair, led a consultation with the Group's largest shareholders regarding the updated Directors' Remuneration Policy. The revised policy will be presented for approval at the upcoming Annual General Meeting in September. This report provides further details on this and the Board's wider activities during the year.

New Corporate Governance Code

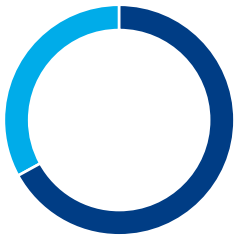
Over the last few years, the Company has been working hard to embed the requirements of the new Corporate Governance Code 2024 (the "Code"). The following report outlines how the Company has applied the main principles of the Code and how it has complied with all relevant provisions of the Code during the reporting period.

Martin Sutherland
Independent Non-Executive Chair
17 June 2026

Governance at a glance

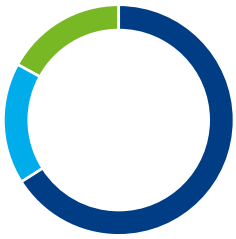
Board composition

Independence



- Non-Executives **67%**
- Executives **33%**

Non-Executive tenure

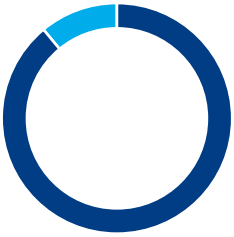


- Less than 3 years **66%**
- 3–6 years **17%**
- 6+ years **17%**

Age

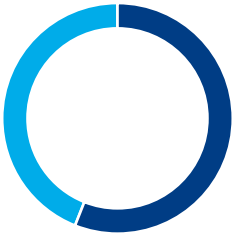
- 41–50 **33%**
- 51–60 **45%**
- 61+ **22%**

Ethnicity



- White **89%**
- Minority ethnic group **11%**

Gender



- Female **56%**
- Male **44%**

Board members' key skills

- Mergers and acquisitions
- Risk management
- Financial reporting
- Workplace engagement
- Prior FTSE experience
- Pensions industry
- Cyber security
- Technology
- Investor relations
- Marketing
- Corporate governance
- Environmental and social sustainability
- Business development
- Operational management

Statement of compliance with the UK Corporate Governance Code 2024

In FY 2026, the Company has applied the principles and complied with the provisions of the UK Corporate Governance Code 2024 excluding Provision 29 which will apply from FY 2027. The Code is publicly available at www.frc.org.uk.

Further information on how the Company has applied the five overarching categories of the principles can be found on the following pages:

i. Board leadership and Company purpose: pages 54 to 59;

ii. division of responsibilities: pages 58 and 59;

iii. composition, succession and evaluation: pages 62 to 64;

iv. audit, risk and internal control: pages 65 to 67, principal risks and uncertainties: pages 43 to 50; and

v. remuneration: pages 70 to 93.

Board of Directors

The Board is composed of nine members, consisting of the Chair, three Executive Directors and five Independent Non-Executive Directors.

Martin Sutherland
Independent Non-Executive Chair
Appointed: September 2025
Appointed to Board: December 2023
Committee membership
R N

Key strengths
- Delivering growth in services and consulting businesses through product innovation, market diversification and geographical expansion
- Extensive international experience at senior management and director level

Key experience
- Chief Executive Officer of Reliance Cyber Ltd 2020–2023
- Chief Executive Officer of De La Rue plc 2014–2019
- Managing Director of Detica Ltd 2008–2014
- Non-Executive Director of Alliance Pharmaceuticals Ltd 2023–2025
- Non-Executive Director of Forterra plc 2017–2026

Current key appointments
- Chair of Logiq Ltd since 2023
- Advisory Board Member of G3 since 2025

Meetings attended
9/9

Paul Cuff
Co-Chief Executive Officer
Appointed: October 2016

Key strengths
- Qualified actuary with 25+ years of experience in the pensions industry
- Paul's key areas of focus include raising the profile of XPS in the market, generating new business and the Group strategy with regard to M&A opportunities

Key experience
- Partner at KPMG 2008–2016
- Head of KPMG London pensions team prior to joining XPS

Current key appointments
- None

Meetings attended
9/9

Ben Bramhall
Co-Chief Executive Officer
Appointed: April 2014

Key strengths
- Qualified actuary with 25+ years of experience in the pensions industry and Scheme Actuary to a number of large pension schemes
- Ben's key areas of focus include expansion of services offered by XPS and overseeing the development/implementation of the Group's technology and people strategies

Key experience
- Eight years at KPMG
- 18 months leading pricing and deal team at Lucida, a former bulk annuity provider

Current key appointments
- None

Meetings attended
9/9

Snehal Shah
Chief Financial Officer
Appointed: July 2019
Committee membership
S

Key strengths
- Chartered accountant with 25+ years of experience in finance, investor relations, M&A execution and post-deal integration
- Snehal is responsible for finance, investor relations, risk and sustainability at XPS

Key experience
- Ten years at PwC
- Senior finance roles including Group Financial Controller, Head of Investor Relations and Finance Director for Integration at Ladbrokes plc 2009–2017

Current key appointments
- None

Meetings attended
9/9

Imogen Joss
Senior Independent Non-Executive Director
Appointed: September 2024
Appointed to Board: December 2023
Committee membership
A R N S

Key strengths
- Experience working for a range of technology and information services companies

Key experience
- Senior Independent Director of Gresham Technologies plc until 2020
- Non-Executive Director of Euromoney Institutional Investor plc until 2023
- Non-Executive Director of IPSX until 2023
- Senior Independent Non-Executive Director of Fintel plc until 2025

Current key appointments
- Non-Executive Director of Grant Thornton UK LLP since 2026, where she was previously Chair 2021–2026 and Non-Executive Director 2017–2021
- Chair of Envetec Sustainable Technologies since 2024, where she was previously Non-Executive Director from 2022–2024
- Senior Independent Non-Executive Director of SThree plc since 2025, where she was previously Non-Executive Director from 2022–2025
- Non-Executive Director of Control Risks since 2025

Meetings attended
8/9

Sarah Ing
Independent Non-Executive Director
Appointed: May 2019
Committee membership
A R N S

Key strengths
- Chartered accountant
- 30+ years of experience in financial services including audit, corporate finance, investment banking and asset management

Key experience
- Previously a top-rated equity research analyst covering the UK general financial services sector and also founded and ran a hedge fund investment management business
- Non-Executive Director of Gresham House plc until December 2023, where she chaired the Audit Committee

Current key appointments
- Senior Independent Non-Executive Director of CMC Markets plc since 2017, where she chairs the Remuneration Committee
- Senior Independent Non-Executive Director of Marex Group since July 2021 where she chairs the Audit & Compliance Committee
- Non-Executive Director of City of London Investment Group plc since 2024, where she chairs the Remuneration Committee

Meetings attended
9/9

Key to Committee membership

- Chair
- Member
- A Audit & Risk
- R Remuneration
- N Nomination
- S Sustainability

Aisling Kennedy
Independent Non-Executive Director
Appointed: February 2023
Committee membership
A R N S

Key strengths
- Irish qualified actuary with experience across consulting, insurance companies and professional bodies

Key experience
- Head of Life & Health Pricing UK at Swiss Re until 2020
- Non-Executive Director of Authora Ireland plc until 2025
- Non-Executive Director of White Horse Insurance Ireland until 2026

Current key appointments
- Non-Executive Director of Aviva Life & Pensions DAC since 2026
- Non-Executive Director of State Street Fund Services (Ireland) since 2021
- Chair of ECCU Assurance Company since 2023
- Chair of the Irish Auditing and Accounting Supervisory Authority since 2024, where she has served as a Director since 2020
- Chair of Irish charity MABS Support CLG since 2021
- Non-Executive Director of Everest Managing Agency Ltd since 2025

Meetings attended
8/9

April Talintyre
Independent Non-Executive Director
Appointed: March 2026
Committee membership
A R N

Key strengths
- Qualified accountant with extensive financial and strategic leadership experience in financial services

Key experience
- Chief Financial Officer of OSB Group plc 2012–2024
- Senior finance roles at The Goldman Sachs Group, Inc. 1994–2010, including CFO and COO of its Insurance and Pensions Principalling Business

Current key appointments
- Non-Executive Director of Motability Operations Group plc since 2025

Meetings attended
2/2

Michelle Cracknell
Independent Non-Executive Director
Appointed: March 2026
Committee membership
A R N

Key strengths
- Experienced pensions expert with over 30 years' experience in the regulated financial services industry

Key experience
- Chief Executive Officer of The Pensions Advisory Service 2013–2018
- Non-Executive Director of Just Group plc, where she chaired the Remuneration Committee until 2026
- Non-Executive Director of PensionBee Group plc, where she chaired the Audit and Risk Committee until 2026

Current key appointments
- Non-Executive Director of Sport England, where she has chaired the Audit, Risk and Governance Committee since 2023
- Non-Executive Director of Fidelity Holdings (UK) Ltd where she has chaired two of the regulated boards since 2019
- Director and Trustee of the Lloyds Banking Group Pension Trustees Ltd since 2019
- Non-Executive Director of Royal London Mutual Insurance Society Limited since 2026

Meetings attended
2/2

Margaret Snowdon OBE
Previous Independent Non-Executive Director
Appointed: January 2017–March 2026
Committee membership
A R N

Key strengths
- 40+ years of experience in the pensions industry and 12 years in insurance

Key experience
- Partner and director-level positions with leading employee benefit consultancies
- Previous Non-Executive Director of The Pensions Regulator
- Appointed an OBE in 2010 and received many awards for her contribution to pensions
- Previous Advisory Board member of Moneyhub Financial Technology Limited

Current key appointments
- Non-Executive member of Phoenix Group With-Profits Committee
- Chair of Pension Scams Industry Group
- Immediate past President of the Pensions Administration Standards Association
- Co-Chair of the Investment Fraud Committee of the All Party Parliamentary Group on Investment Fraud and Fairer Financial Services

Meetings attended
6/7

Alan Bannatyne
Previous Independent Non-Executive Chair
Appointed: January 2017–September 2025
Committee membership
R N

Key strengths
- Chartered accountant
- Recent and relevant financial experience

Key experience
- Qualified with Deloitte & Touche
- 20+ years at Robert Walters plc, Group Financial Controller 2002–2007 and Chief Financial Officer 2007–2023

Current key appointments
- Non-Executive Director of Selkirk Group plc

Meetings attended
3/3

Board and Committee composition and operation

During the year, the Company complied with the Code provision which requires at least half of the board, excluding the Chair, to be independent non-executive directors. The Board considers that the Chair, Martin Sutherland, Senior Independent Non-Executive Director, Imogen Joss, and Non-Executive Directors, Sarah Ing, Aisling Kennedy, April Talintyre and Michelle Cracknell, are each independent of management in character, judgement and opinion and are free from relationships or circumstances that could affect their judgement. The Board benefits from the wide experience of its Non-Executive Directors.

Biographical details of all Board members are given on **pages 54 and 55**

Board Committees

The Audit & Risk Committee's role is to assist the Board in discharging its oversight responsibilities by reviewing and monitoring the following: the integrity of the financial information provided to shareholders; the effectiveness of the Company's system of internal controls and risk management; the external audit process and auditor; and the processes for compliance with laws, regulations and ethical codes of practice.

Further details are given in the Audit & Risk Committee Report on **pages 65 to 67**

The role of the Remuneration Committee is to assist the Board to fulfil its responsibility to shareholders to ensure that the Remuneration Policy and practices of the Company reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to sustainability and statutory and regulatory requirements. The Committee recommends the policy the Board should adopt on executive remuneration and, within the terms of the Directors' Remuneration Policy approved by shareholders at the AGM in March 2024, determines and agrees with the Board the levels of remuneration for each of the Executive Directors, Executive Committee, Chair and Company Secretary.

Further details are given in the Remuneration Report on **pages 70 to 93**

The role of the Nomination Committee is to undertake a bi-annual review of succession planning for Non-Executive, Executive and other key roles; and ensure that the membership, composition and diversity of the Board and its Committees, including the balance of skills, remain appropriate. The Committee also reviews the outcome of the annual Board effectiveness review to determine any changes required.

Further details are given in the Nomination Committee Report **on pages 62 to 64**

The role of the Sustainability Committee is to support the Board's oversight responsibilities of the Company's environmental, social and governance impact and initiatives. The Committee oversees practices, reporting and communication in relation to factors that have a material impact on business strategy, business performance and the long-term sustainability of the Group.

Further details are given in the Sustainability Committee Report on **pages 68 and 69**

Written terms of reference for each Committee are subject to annual review and periodic updating to reflect any changes in legislation, regulation or best practice. The terms of reference for the Committees are available on the Company's website at www.xpsgroup.com/investors/corporate-governance/committees/.

The Company complies with the Code provisions that as a UK listed company the Remuneration and Audit committees should comprise at least three independent non-executive directors and that the nomination committee should comprise a majority of independent directors. The Company Chair is not a member of the Audit & Risk Committee, in compliance with the Code.

Executive Committee

The Co-Chief Executive Officers operate an Executive Committee to support them in the performance of their duties, including the development and implementation of strategy and the day-to-day operational management of the business. The Committee is made up of the Executive Directors, Chief Information Officer, Head of Advisory, Managing Director of Administration, Head of Investment, Head of Insurance Consulting, General Counsel and HR Director.

Board operation and meetings

Decisions on operational matters are delegated by the Board to the Executive Directors, consistent with the schedule of matters reserved for Board approval. In advance of scheduled Board meetings, each Director receives documentation providing updates on Group strategy, finances, operations and business development.

The Board meets at least seven times a year and at other times as and when necessary. During the year, all Board meetings were attended by all Directors, with the exception of meetings when prior commitments prevented attendance.

The Board reviews the business strategy for the year ahead at the beginning of each financial year and receives strategic updates at each Board meeting. At least once a year the Board will hold a strategy session to discuss and review business strategy in depth. The Directors are expected to attend all meetings of the Board and any Committees of which they are members, and to devote sufficient time to the Company's affairs to fulfil their duties as Directors. Non-Executive Directors are each required to commit to a minimum of 28 days of service per year to the Company. The Board is satisfied that each Non-Executive Director commits sufficient time to the Company.

The Non-Executive Directors remain in regular contact with the Chair, to discuss matters relating to the Company and ahead of each Board meeting, meet without the Executive Directors present.

If a Director is unable to attend a meeting, they will receive Board papers before the meeting and they are encouraged to submit any comments to the Chair or Company Secretary to ensure that their views are recorded and taken into account during the meeting. The Director will also receive the minutes and matters arising in the usual way in order to ensure that they are fully informed.

The Board is ultimately responsible for the effectiveness and monitoring of the Group's system of internal controls, supported by the Audit & Risk Committee.

Directors are reminded at the commencement of each meeting to notify the Board of any conflicts of interest. Any actual or potential conflicts of Directors with the interests of the Company that arise must be disclosed for consideration and, if appropriate, authorisation by the Board in accordance with the Company's Articles of Association. The Board may authorise conflicts and potential conflicts, as long as the potentially conflicted Director is not counted in the meeting quorum and does not vote on the resolution to authorise. Directors are required to notify the Group Chair when a conflict or potential conflict does arise in order that Board authorisation can be considered. If the Board determines that a conflict or potential conflict can be authorised, it may impose additional conditions on the Director concerned.

A formal induction programme has been developed and tailored for any new Directors joining the Board. The Chair, with the support of the Company Secretary, ensures that the development and ongoing training needs of individual Directors and the Board as a whole are reviewed and agreed following the annual performance evaluation of the Board, its Committees and individual Directors.

Directors may seek independent professional advice at the Company's expense where they consider it appropriate in relation to their duties. All Directors have access to the advice and services of the Company Secretary.

Embedding culture

At XPS, our values are embedded in everything we do. The Board recognises the importance of its role in setting the tone and monitoring the Group's culture, championing the behaviours we expect to see and embedding these throughout the Group. The Board plays an active role in embedding our culture by engaging directly with employees through CEO roadshows, the Employee Engagement Group and engaging with staff survey results.

In addition to the Board, the Executive Committee upholds our values and ensures that the importance of compliance and integrity is recognised at all levels throughout the Group. Our Executive Committee holds "meet ExCo" sessions across different offices to understand the employee voice and feedback to the Board. This year, the General Counsel conducted a desktop review of XPS culture, creating a holistic view of culture from various sources of feedback from employees, and the output was discussed with the Executive Committee. The review did not highlight any areas of concern.

Q&A – Embedding and monitoring XPS's culture

Q Why is culture important at XPS?

Martin Sutherland – "Maintaining a good culture is key to providing good outcomes for our clients and shareholders. The Board is dedicated to building an inclusive and open culture that welcomes the best employees that are motivated in delivering the best service to our clients and members."

Q How does the Board monitor culture?

Snehal Shah – "This year, XPS launched the new Speak Up policy which aims to encourage employees to speak up when they are aware of any misconduct, wrongdoing or unethical behaviour. Whistleblowing reports alongside the new Speak Up policy provide the Board with effective oversight of the culture at XPS."

Ben Bramhall – "Our ambition is to be the best place in our industry to work. As Co-CEOs, Paul and I are responsible for setting the culture and are heavily involved in driving forward the wide variety of initiatives to create an environment where everyone can thrive and be their best – as this is ultimately what underpins great client service and our sustainable growth."

Q How are you assured that the desired culture has been embedded throughout the organisation?

Aisling Kennedy – "Attending the Employee Engagement Group provides valuable insight into the key concerns, feedback and overall culture of the wider employee group. The feedback from this meeting is passed back to the Board ensuring the employee voice is heard and understood across all levels of the business."

Imogen Joss – "The annual staff survey provides an opportunity for employees to share their opinions in an anonymous forum. Year on year XPS continues to receive invaluable feedback and positive results from the survey. In the 2025 survey, 90% of responses agreed that XPS was a good place to work."

Q What was your initial impression of the culture at XPS?

Michelle Cracknell – "It has been lovely to receive such a warm welcome to XPS and I have enjoyed hearing and seeing the enthusiasm people have for the work that they do. I am a great believer in the XPS ethos that clients, customers and colleagues should all be treated with the same amount of respect and my initial impression is this is done as well as said at XPS."

Board and Committee composition and operation continued

Board division of responsibilities

Martin Sutherland
Chair

- Leads the Board and manages the effective leadership and governance of the Board
- Provides direction and focus on business strategy, performance, value creation and accountability
- Ensures the Board establishes a strategy that facilitates the entrepreneurial development of the Group and promotes the long-term sustainable success of the Group's approach
- Ensures clear structure for effective operation of the Board and its Committees
- Sets Board agenda and ensures sufficient time is allocated to promote effective debate to support sound decision making
- Ensures the Board receives precise, timely and clear information
- Encourages Directors to contribute fully to Board discussions, ensuring sufficient challenge of major proposals
- Meets with the Non-Executive Directors independently of the Executive Directors
- Leads the process for evaluating the performance and development needs of the Board, its Committees and individual Directors
- Leads the Board succession planning process and chairs the Nomination Committee
- Acts as a sounding board for the Co-CEOs on important business matters
- Ensures the Board sets the risk appetite it is willing to take in the implementation of strategy
- Ensures effective communication with shareholders to ensure that the Board understands their views on governance and performance against the strategy
- Ensures effective communication with other key stakeholders

Paul Cuff
Co-Chief Executive Officer

- Paul's key areas of focus include raising the profile of XPS in the market, generating new business and the Group strategy with regard to M&A opportunities

Ben Bramhall
Co-Chief Executive Officer

- Ben's key areas of focus include expansion of services offered by XPS and overseeing the development/implementation of the Group's technology and people strategies

Co-Chief Executive Officers

- The Co-CEOs have worked together for over 20 years, having both started their careers as trainee actuaries at Punter Southall, before spending many years in the same team at KPMG
- Their long friendship and history of working together, and their complementary skill sets, make the Co-CEO arrangement a success
- The Co-CEOs report to the Chair and the Board and are responsible for jointly leading the Group's business and managing it in accordance with the strategy approved by the Board, the Board's overall risk appetite, the Group policies approved by the Board and its delegated authorities, and all applicable laws and regulations
- The Co-CEOs, with the support of the CFO, recommend budgets and forecasts for Board approval, lead the investor relations programme and maintain a dialogue with the Chair on significant business developments and strategy issues
- Both Co-CEOs have leadership roles on large clients
- The Board considers that the Co-CEO structure works well with clear accountability of roles between the Executive Directors

Imogen Joss
Senior Independent Non-Executive Director

- Acts as a sounding board for the Chair and other Directors
- Leads the annual review of the Chair's performance
- Leads any Non-Executive Director meetings without the Chair present
- Acts as an additional point of contact for shareholders, if they have concerns that contact through the normal channels have failed to resolve or for which such contact is inappropriate

Division of responsibilities

The Board is focused on providing entrepreneurial and sustainable leadership to the Group. It is responsible for directing and controlling the Group and has overall authority for the effective and prudent management and conduct of the Group's business, strategy and development. The Board monitors performance and is responsible for ensuring that appropriate financial and human resources are in place for the Group to meet its objectives and takes the lead in setting and embedding the Group's culture, values and standards. The Board is also responsible for ensuring the maintenance of a sound system of internal control and risk management (including financial, operational and compliance controls and for reviewing the overall effectiveness of systems in place), and for the approval of any changes to the capital, corporate or management structure of the Group.

There is a formal schedule of matters reserved for Board approval which is subject to annual review and published on the Company's website: **www.xpsgroup.com**

The matters reserved for the Board include:

- the Group's long-term objectives, business strategy and risk appetite;
- the Company's policies, culture, values and standards;
- annual strategy setting, budgets and forecasts;
- extension of the Group's activities into new business or geographic areas;
- changes in capital structure and any form of fundraising or asset securitisation;
- major changes to the corporate structure, including material acquisitions and disposals;
- interim and annual financial statements and dividend policy;
- material guarantees, indemnities and letters of comfort;
- the Group's system of internal control and risk management;
- contracts which are material strategically or by reason of size or duration;
- calling of shareholder meetings and related documentation;
- changes to the membership of the Board and its Committees;
- Remuneration Policy for the Directors and senior management;
- introduction of new share incentive plans or major changes to existing plans; and
- the Company's overall corporate governance arrangements.

Annual General Meeting

The Company's Annual General Meeting (AGM) will take place at 1:00pm on Tuesday 8 September 2026 at the Group's Reading office. The AGM notice setting out the resolutions to be proposed at the meeting and including explanatory notes, together with this Annual Report and Accounts, will be available on the Company's website (www.xpsgroup.com) and distributed to shareholders who have elected to receive hard copies of shareholder information at least 20 working days prior to the date of the meeting.

Voting at the AGM will be conducted by way of a poll and the results will be announced through the London Stock Exchange Regulatory News Service and made available on the Company's website. All Board members are expected to attend the meeting and the Chair of each of the Board's Committees will be present to answer any questions put to them by shareholders.

FY 2026 Board evaluation

During the year, an externally facilitated Board evaluation was completed with the support of Board Intelligence; further details of the process and the outcomes can be found on pages 62 to 63. The Group will continue to conduct an annual Board evaluation. Externally facilitated evaluations will be conducted every three years, as required by the UK Corporate Governance Code.

Stakeholder engagement

Engaging with our stakeholders

Section 172 Statement

Stakeholder engagement is central to the Group's strategy and sustainable success. The Board of Directors of the Company acts in good faith to promote the long-term success of the Company for the benefit of its members as a whole, taking into account the factors as listed in Section 172 of the Companies Act 2006:

a. the likely consequences of any decision in the long term;

b. the interests of the Company's employees;

c. the need to foster the Company's business relationships with suppliers, customers and others;

d. the impact of the Company's operations on the community and the environment;

e. the desirability of the Company maintaining a reputation for high standards of business conduct; and

f. the need to act fairly as between members of the Company.

	Clients	Shareholders	Government and regulators
Key interests	• Products and services • Service performance and efficiency • Competitiveness and value • Compliance and data protection • Sustainable products and local social value • Data and cyber security	• Financial performance and growth • Dividends • Timely and relevant communications • Sound corporate governance and stewardship • Strategy aligned with long-term sustainability and value creation	• Transparency and accurate reporting • Proactivity and engagement in consultation • Compliance with regulation and legislation • Fair treatment and protection of consumers and members
Engagement strategy	The Company engages with clients through key contacts who work day to day with the clients. We also complete client satisfaction surveys every two years, and the Board reviews the results. We hold conferences, webinars and training exercises for clients throughout the year, of which we see a fantastic uptake. We held an XPS drinks reception during the year, which all clients, prospective clients and Board members were invited to attend. Ben Bramhall (Co-CEO) is Scheme Actuary for some of our largest clients, and Paul Cuff (Co-CEO) also works on client corporate advisory projects from time to time.	We engage with our shareholders in various ways including financial results roadshows and regular meetings with analysts, investors and potential investors. The Investors section of the XPS website is updated throughout the year, to include useful information for our shareholders. The Board attends the Annual General Meeting and is available to answer shareholder questions. Following appointment as Chair, Martin Sutherland offered introductory meetings to the Group's largest shareholders. Imogen Joss, Remuneration Committee Chair, engaged with the Group's ten largest shareholders in relation to the Directors' Remuneration Policy during the year, ahead of shareholder approval being sought at the 2026 AGM.	The Company works with the regulators by responding to requests and consultations, submitting returns and attending industry meetings. The FCA Consumer Duty has continued to be an area of focus for the Board this year. Aisling Kennedy (Consumer Duty Champion) has engaged with the relevant teams and subsidiary boards to oversee the Group's compliance with Consumer Duty regulation and completion of our second Consumer Duty report. The Board considered and responded to the Government's cyber security letter during the year.
Outcomes	• We continued to invest in and develop our platform, including investing in AI, to continue to improve the service provided to our clients. • We continued the evolution of our services to meet the changing needs of our clients. • We continued to win new client mandates including our largest ever public sector client, the Metropolitan Police, a scheme with 80,000 members.	• We strengthened our governance through the recruitment of two Independent Non-Executive Directors and an externally facilitated Board evaluation. • Our proposed Directors' Remuneration Policy 2026 will be tabled for shareholder approval at the upcoming AGM, incorporating shareholder views. • We are proposing a full year dividend of 13.2p, an 11% increase on FY 2025.	• The Board has agreed to sign up to the Government's cyber resilience pledge. • We contributed to key public consultations including in relation to the new Stewardship Code and FCA consultation of ESG ratings. • We achieved 100% completion of our mandatory employee training programme again this year, with topics covering ethics, modern slavery, anti-bribery and market abuse.

The Company's purpose, values and culture are established by the Board and embedded throughout the Group and key decisions made. The Board is careful to consider the interests and priorities of stakeholders and the consequences the decisions may have. The Board recognises that stakeholders have differing interests and gives careful consideration to balancing the views of all stakeholder groups.

	Employees	Suppliers	Communities, charities and environment
Key interests	• Reward and recognition • Career opportunities • Training and development • Wellbeing • Equality, inclusion and diversity • Work-life balance and flexibility • Meaningful work	• Responsible and sustainable procurement and ethics • Fair contract and payment terms • Cost efficiency and value	• Local and worldwide social and environmental impact • Health and safety • Community and charity support • Education and financial literacy initiatives • Climate-related risk management
Engagement strategy	Aisling Kennedy is appointed as the Designated Employee Engagement Non-Executive Director and Chair of the Employee Engagement Group (EEG); she updates the Board after each EEG meeting. Employees complete an annual employee survey, the results of which are analysed in detail and shared with the Board, and an action plan is agreed. An external and anonymous whistleblowing hotline is available to employees 24/7 and all reports are reported to the Board. Our executive team communicates regularly with employees, through weekly Co-CEO voice memos and regular Executive Committee visits and Q&A sessions across our offices. The Co-CEOs often feed back to the Board following engagement.	The Group has a Procurement team and an external company which engages with and carries out due diligence on its suppliers. We conduct formal and transparent tender processes when required. An annual review of existing suppliers, which provide services that are deemed as higher risk (i.e. process large amounts of our data or have access to our offices), is completed in addition to quarterly performance reviews with key suppliers, and the Board is made aware of any concerns in relation to supplier performance or agreements. Our Supplier Code of Conduct communicates what we expect from our suppliers. The Board annually approves the XPS Modern Slavery Statement.	The Sustainability Committee is a Committee of the Board, and the majority of members are Board members. The Committee Chair updates the Board following each meeting. You can read the Committee report on pages 68 and 69. XPS is excellently positioned to ensure our positive impact is wider than the Group itself as we advise our clients on sustainable investments; you can read about this on pages 24 and 25. You can read the Group's Task Force on Climate-related Financial Disclosures (TCFD) Report on pages 29 to 35, and our commitment to net zero on pages 27 to 35. You can also read about our community support on pages 22 and 23.
Outcomes	• We achieved an employee Net Promoter Score of +32. • 90% of employees said XPS is a great place to work. • Women in senior management roles increased to 39%. • We launched our Speak Up policy, encouraging employees to raise concerns about behaviours or practices that do not align with our values. • We launched our "For All Of You" Employee Value Proposition; you can read about this on page 19.	• The Group's average payment days were 26 days in H2 2026; in the same period, the percentage of payments made to suppliers within 60 days was 97%. We remain committed to fair payment practices. • We updated our Supplier Code of Conduct, which sets out the behaviours we expect from suppliers, strengthening provisions relating to environmental sustainability and diversity, equality and inclusion.	• We made in excess of £84k of charitable donations. • We supported 77 charities, including our main charity partner, Cancer Research. • We received external validation of our near-term net zero objectives from the Science Based Targets initiative. • We reduced our carbon revenue intensity by 23% for Scope 1, 2 and 3 emissions.

Nomination Committee

Shaping leadership for the future

This year the Committee supported the Board through the succession of the Chair and the appointment of two Non-Executive Directors.

This year has marked an important period of transition and renewal for the Board, with new appointments enhancing the breadth of experience and diversity of thought that underpin effective governance."

Martin Sutherland
Chair of the Nomination Committee

Committee membership	Attendance
Chair	
Alan Bannatyne (Chair until September 2025)	**2/2**
Martin Sutherland (appointed September 2025)	**3/3**
Members	
Margaret Snowdon OBE (resigned March 2026)	**3/3**
Sarah Ing	**3/3**
Aisling Kennedy	**3/3**
Imogen Joss	**3/3**
April Talintyre (appointed March 2026)	**0/0**
Michelle Cracknell (appointed March 2026)	**0/0**

Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the year ended 31 March 2026. The Committee met three times during FY 2026 and all meetings were attended by all members of the Committee. The Committee intends to continue to meet at least twice annually with additional meetings as required. The members of the Committee are Sarah Ing, Aisling Kennedy, Imogen Joss, April Talintyre, Michelle Cracknell and myself as Chair.

The Nomination Committee supports the Board in determining the composition and make-up of the Board, including its skills, knowledge, experience and diversity. It is responsible for developing and maintaining a formal, rigorous and transparent procedure for identifying appropriate candidates for Board appointments and making recommendations to the Board. The Committee reviews the outcome of the annual Board effectiveness review to determine if any changes are required.

The Committee is also responsible for keeping under review the leadership needs of the Group, including Executive, Non-Executive and senior management roles, ensuring that succession planning focuses on the continued ability of the Group to deliver its strategic goals and compete effectively. The terms of reference of the Committee are reviewed annually and available on the Company's website, www.xpsgroup.com.

Chair succession and Non-Executive Director appointment

In September, Alan Bannatyne retired as Chair of the Group after almost nine years' tenure as a Director. On behalf of the Board, I would like to thank Alan for his contribution to XPS since listing in 2017. The Nomination Committee led by Senior Independent Director Imogen Joss reviewed the skills and experience required for the role and identified myself as Alan's successor.

In January 2026 Margaret Snowdon OBE also reached nine years' tenure on the Board and stepped down from the Board in March 2026. Prior to Margaret stepping down from the Board, the Nomination Committee and I reviewed the size, composition and skill set of the Board, and agreed to recruit an additional two Non-Executive Directors. The Nomination Committee worked with Russell Reynolds, who have no other connection to XPS, and appointed April Talintyre and Michelle Cracknell in March 2026. April and Michelle bring extensive experience in the financial services and pensions and insurance sectors. We are delighted to welcome April and Michelle to our Board and believe their skill sets complement the experience of the other members of the Board well.

The Committee is satisfied that the Board and its Committees have the right balance of skills, experience, independence and knowledge required.

Board evaluation

In 2026, the Board completed an externally facilitated evaluation with the support of Board Intelligence, an accredited board performance reviewer recognised by the Chartered Governance Institute UK & Ireland. Board Intelligence has no connections to the Company or Directors other than providing board portal software; the Board evaluation formed 86% of Board Intelligence's fees during the year. The Group Company Secretary, Sarah Rixon, was responsible for providing the external reviewer with the necessary access and support, and the Group Chair, Martin Sutherland, was the Board member identified as the reviewer's independent escalation point.

The process included a review of governance materials including Board and Audit & Risk Committee papers, questionnaires completed by directors, individual director interviews and a review of previous evaluation actions.

The review was targeted to focus on the Board and Audit & Risk Committee, with a lighter touch approach taken to the evaluation of the Nomination and Remuneration Committees. The outcome of the evaluation was reported to the Board at the May 2026 Board meeting, by Board Intelligence. The Board were encouraged by the positive outcome and the review and agreed improvement areas, which will be reviewed periodically throughout the year, as follows:

- stronger focus on future strategy and external change including AI;
- better use of information to support the Board's decision making and judgement; and
- building an organisation fit for the next phase of growth.

You can read about the progress made against the focus areas of our FY 2025 internally facilitated board evaluation in the table on page 64.

Succession planning

During the year, the Nomination Committee reviewed detailed succession plans covering the roles considered key to the business, including those of the Executive Directors, the Non-Executive Directors and the Executive Committee. During the year, the Group developed a Future Leaders Programme, a two-year programme supported by a business school to support the development of talent and the potential future leaders of the Group. The Committee will continue to review succession plans at least twice annually.

Induction programme and training

A formal tailored induction for Non-Executive Directors is in place supported by a programme of training to further their knowledge of the Group, its business, culture, operations, employees and governance and to ensure awareness of their regulatory duties and obligations as Directors of a UK listed company.

Diversity, equality and inclusion

I am pleased to confirm that XPS continues to comply with the requirements of the FCA's diversity listing rules in relation to the composition of the Board, with over 40% female representation (56%), one senior Board position held by a female and one Board member to be from an ethnic minority background. Whilst we recognise that XPS has further progress to make in relation to the diversity of our Board and executive management, we are pleased to have made progress in recent years, in particular reaching above 50% female representation at Board level, and continue reporting compliance with the listing rules.

The Company acknowledges that there remains a gender pay gap within the business which reflects a higher proportion of males in higher-paid roles than females. Whilst this is partly a challenge of the UK industry in which XPS operates, within a male-dominated actuarial profession, the Board believes it has a responsibility to promote change within both XPS and the industry more generally.

The Board believes that no individual should be discriminated against, whether for reasons of gender, ethnicity or other grounds that restrict social inclusion, and this extends to Board appointments, which it considers should be made on merit and on the basis of ensuring an appropriate balance of skills and experience within the Board. The Board recognises that greater diversity, in the widest sense of diversity of race, social mobility, experience and approach, can generate a more diverse perspective on issues which, in turn, has the ability to benefit Board effectiveness through improved discussions and better decisions.

You can read more about the Group's I&D strategy and commitment to further progress on page 20 of our Sustainability Report.

Martin Sutherland
Chair of the Nomination Committee
17 June 2026

Chair succession and Non-Executive Director appointment process

- In line with succession planning, the Nomination Committee identified that Alan Bannatyne and Margaret Snowdon OBE would reach nine years' tenure in January 2026.
- The Nomination Committee commenced a search for potential successors to the Senior Independent Director and Chair; the search was supported by Russell Reynolds Associates.
- Martin Sutherland and Imogen Joss were appointed to the Board as Independent Non-Executive Directors, and as potential successors to the two roles, in December 2023.
- The Committee determined that it would be good governance to ensure that the Group's Senior Independent Director and Chair did not leave the business at the same time, and as such appointed Imogen Joss as Senior Independent Director in September 2024, with Margaret Snowdon OBE remaining as a valued independent Board member.
- Imogen Joss led the Nomination Committee throughout the Chair succession process.
- The Committee considered the desired criteria for the Chair role and confirmed that Martin Sutherland satisfied this criteria and would be the right candidate to take on the role.
- The Nomination Committee made a recommendation to the Board that Martin Sutherland be appointed as Independent Non-Executive Chair of the Group. The Board approved the recommendation.
- Martin Sutherland succeeded Alan Bannatyne as Chair following the Annual General Meeting on 4 September 2025.
- A further recruitment process supported by Russell Reynolds followed, with two Independent Non-Executive Directors, April Talintyre and Michelle Cracknell, appointed to the Board in March 2026.

Nomination Committee continued

FY 2025 Board evaluation outcomes and progress

The FY 2025 internally facilitated evaluation identified the following areas for improvement; progress is reported as follows:

Outcomes from the FY 2025 evaluation	Improvements made
The incoming Chair to focus on ensuring that emphasis is on the right KPIs and issues at Board meetings.	The Board's agenda has been restructured with a greater focus on updates from the business line heads, including improved management information.
The Chair and Company Secretary to revisit the Non-Executive Director induction and ongoing training plan to ensure this represents the Group's diversification.	A refreshed induction plan was rolled out by the Company Secretary and Chair for the induction of the two new Non-Executive Directors.
The Nomination Committee to focus on improved succession planning for Executive and key roles, including the development of future leaders of the Group.	XPS has developed the Future Leaders Programme for a diverse group of 15 participants from across the Company's business lines and central functions. This is a two-year programme, facilitated by a business school and coaching firm, to support the development of the Group's potential future leaders.

Board and Executive Committee diversity disclosures

Table 1. Reporting table on sex/gender representation as at 31 March 2026

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	**4**	**44%**	**4**	**8**	**80%**
Women	**5**	**56%**	**1**	**2**	**20%**
Not specified/prefer not to say	**—**	**—**	**—**	**—**	**—**

Table 2. Reporting table on ethnicity representation as at 31 March 2026

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority White groups)	**8**	**89%**	**4**	**9**	**90%**
Mixed/multiple ethnic groups	**—**	**—**	**—**	**—**	**—**
Asian/Asian British	**1**	**11%**	**1**	**1**	**10%**
Black/African/Caribbean/Black British	**—**	**—**	**—**	**—**	**—**
Other ethnic group, including Arab	**—**	**—**	**—**	**—**	**—**
Not specified/prefer not to say	**—**	**—**	**—**	**—**	**—**

Audit & Risk Committee

Delivering independent oversight

The Audit & Risk Committee continues to provide independent oversight of the Group's financial reporting procedures, risk management and internal control framework.

Refreshing our internal control framework whilst navigating risk and enabling growth has been the Committee's focus this year."

Sarah Ing
Chair of the Audit & Risk Committee

Committee membership	Attendance
Chair	
Sarah Ing	**4/4**
Members	
Aisling Kennedy	**4/4**
Imogen Joss	**4/4**
April Talintyre (appointed March 2026)	**0/0**
Michelle Cracknell (appointed March 2026)	**0/0**
Martin Sutherland (resigned from Committee September 2025)	**2/2**
Margaret Snowdon OBE (resigned March 2026)	**4/4**

Dear Shareholder,

I am pleased to present the report of the Audit & Risk Committee for the year ended 31 March 2026. The Committee met four times during FY 2026 and intends to continue to meet at least three times annually. All meetings were attended by all members of the Committee.

Membership of the Committee

The members of the Committee are Aisling Kennedy, Imogen Joss, April Talintyre, Michelle Cracknell and myself as Chair. The Board is satisfied that the Audit & Risk Committee as a whole has competence relevant to the sector in which the Company operates and that I have recent relevant financial experience as can be seen in our biographies included on pages 54 and 55 of the Annual Report.

The Executive Directors are invited to each meeting as well as the Company's Non-Executive Chair, Chief Information Officer, Head of Risk, General Counsel, Head of Compliance, Financial Controller, and other members of the management team as the agenda dictates.

The Committee's performance evaluation was conducted as part of the wider Board evaluation; you can read about this on pages 62 and 63.

Auditor

The Committee is responsible for making an assessment on the independence of the Company's auditor, BDO LLP. In addition, the auditor has internal processes to ensure that independence is maintained. The Committee will review the level of audit fees and non-audit fees on an ongoing basis. See note 4 to the financial statements on page 121.

The Committee has reviewed the approach to the annual audit at a meeting that the auditor attended ahead of the start of fieldwork. The auditor then attended further Committee meetings part way through and at the completion stage of the audit to present its findings.

There is an open line of communication between the Chair of the Audit & Risk Committee and the audit engagement partner, and a closed session between the Audit & Risk Committee and the audit partner is held at the beginning of each Committee meeting, without the Executive Directors and management team present.

The audit partner is also invited to attend the Committee meetings for the duration of the meeting. The Committee assessed the effectiveness of the external audit process by obtaining feedback from parties involved in the process, including management and the external auditor. The Company complies with the provisions of the Competition and Markets Authority's Statutory Audit Services Order 2014.

Based on this feedback and its own ongoing assessment, the Committee remains satisfied with the efficiency and effectiveness of the audit.

The Committee is responsible for making recommendations to the Board regarding the appointment of its external auditor and its remuneration. BDO LLP has been the Group's auditor since 2014. In FY 2025 the Committee conducted a competitive tender process in which the Committee decided to retain BDO LLP as the Group's external auditor.

The Group audit partner is required to rotate after a maximum of five years; the current audit partner, Tim Neathercoat, was appointed for the March 2026 audit as the first year as the Group Audit Partner, and therefore must be succeeded following the FY 2030 audit.

Audit & Risk Committee continued

Significant accounting matters considered during the year

Revenue recognition, accrued income and trade receivables

Matters considered

Depending on the income stream and the nature of the engagement, the Group recognises revenue on either time cost incurred, fixed fee or rateably over the period of providing the relevant services. Billing is mainly in arrears and occurs monthly or quarterly. A judgement is made regarding the valuation of contract assets – accrued income with the unbilled element of advisory and administration services.

Action

The Committee reviewed the approach to revenue recognition including the process for accrued and deferred revenue. The Committee receives regular updates on ageing of accrued revenue and trade receivables. The Committee has also considered the conclusions reached by BDO LLP as part of its audit of this area and is satisfied that management has adopted appropriate processes and controls over revenue recognition, accrued revenue and trade receivables.

Presentation and disclosure of exceptional and non-trading items

Matters considered

The Group classifies certain items in the income statement as exceptional/non-trading to allow a clearer understanding of the underlying trading performance of the business.

Exceptional and non-trading items in the year totalled £25.4 million (FY 2025: £18.7 million). For more details see note 5 to the financial statements on page 122.

Action

As part of its assessment that the treatment of exceptional/non-trading items in the financial statements is appropriate, and consistent with the Group's accounting policies and with the guidance issued by the FRC, the Committee has considered each of the items treated as exceptional/non-trading and challenged, where necessary, the treatment adopted by management. The Committee has also considered the conclusions reached by BDO LLP as part of its audit in this area and is satisfied.

Internal Audit

The Internal Audit function is provided using a co-sourcing agreement, with PwC reappointed in 2020 after a retender as it had been in place since 2017. It offers independent oversight of operational and risk management activities, with audit reports and relevant findings presented to the Committee. This year it focused on the controls in place when developing automated system calculations and operational controls in the Administration business.

The Internal Audit programme is integrated with the existing framework of internal and external assurance activities, e.g. ISO 27001, CE+, AAF 01/20 and IFoA QAS, which are carried out or facilitated by the Risk and Compliance teams. These activities focus on the design and effectiveness of internal controls for key processes.

The Committee maintained oversight of the effectiveness of internal audit during the year, through review of the internal audit plan, audit findings, management's response to recommendations and progress against the approved internal audit programme and recommendations. The Committee also considered the role of internal audit in supporting the Board's assessment of the effectiveness of the Group's risk management and internal control framework under Provision 29 of the UK Corporate Governance Code, ahead of the attestation required in FY 2027.

Annual Report review

A final draft of the Annual Report is reviewed by the Committee prior to consideration by the Board and the Committee considered whether the 2026 Annual Report was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Group's position and performance, business model and strategy.

The Committee was satisfied that, taken as a whole, the Annual Report is fair, balanced and understandable and provides the necessary information.

Risk management and internal control

The existing risk management and internal control framework deployed across the Group continues to be developed and enhanced to ensure it manages existing and emerging risks to the XPS Group.

Effective communication of risk appetites and key controls is supported by clear direction from executive management, which drives a strong risk culture and active engagement from staff.

The framework supports a standardised risk management approach across all businesses and support functions in the Group, enabling clear and consistent reporting. This includes a clear articulation of the key controls required to ensure risks are managed within their stated appetites.

The use of a common approach for all risk types covers the full spectrum of the Group's activities and supports the achievement of the organisation's objectives. The framework also highlights key processes and controls, supporting their regular review, with amendments made as required to reflect the findings of these reviews. All review findings are recorded centrally to ensure identified improvements are implemented consistently across the Group. Executive management is provided with regular updates on the Group's overall risk profile and actions required to keep within appetite. This is supported by a rolling programme of deep dives on specific risks by the Risk Management Committee. These meetings are held on a regular basis and support the Audit & Risk Committee to ensure that the risk management and internal control framework meets the needs of the Group's stakeholders.

The Risk function supports all businesses within the Group, ensuring that best practice is applied consistently. The team is also responsible for co-ordinating the existing assurance frameworks across the Group, to ensure all risks and controls are considered and assessed appropriately. These assurance activities include certifications to ISO 14001 and ISO 27001, AAF 01/20, IIP and the IoA Quality Assurance Scheme (QAS). In addition to these, the Group has also maintained accreditation against the PASA pensions administration standard.

The Audit & Risk Committee regularly reviews the wider internal control processes as part of its meeting cycle. The Committee enlists external support from specialist advisers to support these reviews when appropriate.

To recognise the importance of operational resilience and protection of Group and client assets from cyber risks, the Committee considers this as a standing item at each meeting. This includes the performance of key controls and the independent assurance frameworks in place.

Corporate Governance Code 2024 Provision 29

During the year, the Board has overseen the Group's ongoing preparations for compliance with Provision 29 of the 2024 UK Corporate Governance Code, which will require the Directors to provide a declaration on the effectiveness of the Group's material controls in the FY 2027 Annual Report and Accounts. Supported by management and the Committee, the Board has continued to review and enhance the Group's existing risk management and internal control framework, including work to identify material controls and related assurance activities. This work will continue during FY 2027 ahead of the first mandatory declaration.

Whistleblowing

The Group has a clear, formalised whistleblowing policy and procedure available to all staff in order to raise concerns about perceived wrongdoing, non-compliance with our own standards, regulatory requirements and/or the law. We have a confidential helpline, run by a third party, Mitratech, in order that staff can report any concerns or perceived shortcomings within our operations without fear of sanction or disadvantage. The helpline is promoted through the intranet and posters.

Incidents are initially reviewed by the Group's General Counsel and HR directer before they are reported and then reviewed by the Board at the next scheduled meeting, or sooner if required. The Group's Audit & Risk Committee reviews the policy and process annually to ensure they remain fit for purpose.

Sarah Ing
Chair of the Audit & Risk Committee
17 June 2026

Sustainability Committee

Building resilience through sustainability

In FY 2026, XPS continued to drive its "shaping a better future" strategy. Embedding sustainability into decision making supports the Group's purpose: delivering safe, robust pension schemes for people and society. Our approach prioritises issues that impact long-term value, working collaboratively with clients, members, communities and the environment to create positive, measurable outcomes.

During the year, the Committee focused on the material sustainability issues as they relate to the corporate strategy. By managing risks and opportunities and evolving engagement with stakeholders, we continue to ensure that sustainability drives long-term value creation for the Group and its stakeholders."

Aisling Kennedy
Chair of the Sustainability Committee

Committee membership	Attendance
Chair	
Aisling Kennedy	**4/4**
Members	
Imogen Joss	**4/4**
Sarah Ing	**4/4**
Snehal Shah	**4/4**
Charlotte West	**3/4**
Adrian Davison	**2/4**
Alex Quant	**3/4**

Dear Shareholder,

It is my pleasure to present the report of the Sustainability Committee (the "Committee") for the year ended 31 March 2026. The Committee met four times during the year, above the intention of at least twice a year, with all meetings well attended.

The Committee continues to oversee the implementation of XPS's sustainability strategy, with consideration given to the perspectives of all key internal and external stakeholders, ensuring alignment with the Group's business objectives and purpose. This includes the management of risks and opportunities arising from material sustainability issues, recognising their importance in driving long-term business resilience.

The membership of the Committee

The membership of the Committee during the year was unchanged: Imogen Joss (Senior Independent Non-Executive Director), Sarah Ing (Independent Non-Executive Director), Snehal Shah (CFO), Charlotte West (Head of Employee Engagement), Adrian Davison (Head of Risk), Alex Quant (Head of ESG for the Investment business) and myself as Chair.

The Committee's unchanged composition from last year has provided stability and focus as sustainability policy and stakeholder expectations continue to evolve in the United Kingdom.

The Committee was also pleased to welcome Ben Bramhall (Co-CEO), Paul Cuff (Co-CEO), Alan Bannatyne (former Independent Non-Executive Chair), Martin Sutherland (Independent Non-Executive Chair), April Talintyre (Non-Executive Director) and Michelle Cracknell (Non-Executive Director) to a number of Committee meetings.

The focus of the Committee

In FY 2026, the Committee oversaw the ongoing roll-out of the Group's sustainability strategy to contribute to long-term business resilience. In addition, the Committee continued to monitor performance against the Group's sustainability strategy, the Group's responsiveness to evolving sustainability expectations and an emerging internal focus on diversity:

1. Monitoring performance on sustainability priorities

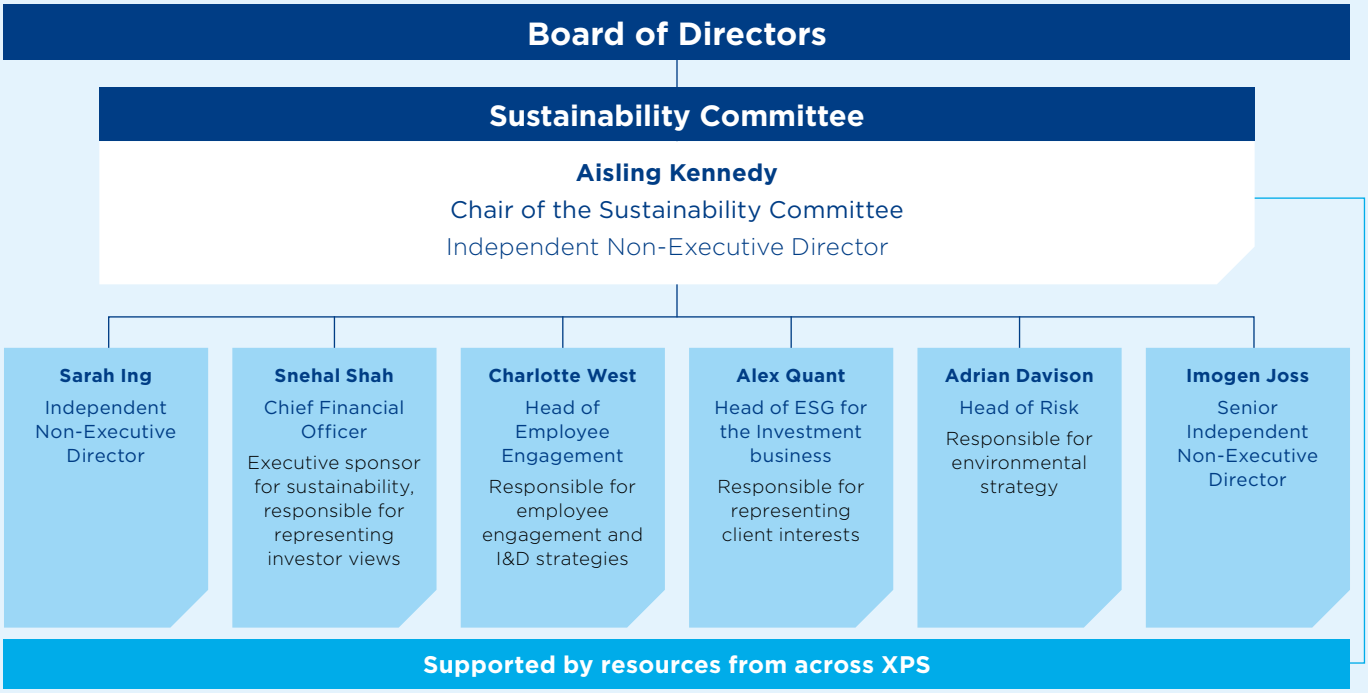
The Committee tracked progress against the Group's sustainability pillars through the sustainability dashboard, which measures key metrics quarterly. This year, the dashboard incorporated new metrics, such as sustainable fund inclusion in manager selection, reflecting the Group's commitment to integrating sustainability into decision making. We were pleased to see a doubling of ISO 14001 certification on the way to all sites. Achieving SBTi validation marked a significant milestone in the Group's journey towards net zero, reflecting its commitment to aligning emissions reduction targets with globally recognised climate science and strengthening its long-term resilience in the face of climate-related risks.

2. Evaluating the maturing sustainability landscape

The Committee kept abreast of regulatory and market developments, including updates on the UK's Sustainability Reporting Requirements, the EU's Corporate Sustainability Reporting Directive and the transition to the new Stewardship Code in 2026. The Committee also monitored shifts in market sentiment around sustainability, particularly in capital markets, to ensure the Group's strategy remains aligned with stakeholder expectations.

3. Focusing on diversity and inclusion

Recognising the importance of diversity in driving employee engagement and business success, it was a significant focus for the Committee during the year. The Committee was pleased to welcome Zoe Adlam, General Counsel, on two occasions to discuss this issue. The Committee also reviewed data to better understand the impact of recruitment and promotion processes on diversity, ensuring that progress in this area underpins XPS's long-term resilience and stakeholder trust.



Looking ahead

Going forward into FY 2027, the focus of the Group's sustainability framework is:

- regularly assessing the Group's performance against material sustainability key performance indicators;
- developing new approaches to help engage both internal and external stakeholders in our sustainability ambitions; and
- monitoring both domestic and international sentiment to ensure the Group is appropriately positioned to leverage opportunities arising from evolving ESG sentiment.

I want to thank the members and attendees of the Sustainability Committee for their contributions this year. It has been inspiring to see the Committee strengthen XPS's focus on long-term resilience, embedding sustainability into our business strategy and continuing this important work as we shape a better future together.

The terms of reference of the Committee are reviewed annually and are available on the Company's website, www.xpsgroup.com.

Aisling Kennedy
Chair of the Sustainability Committee
17 June 2026

Directors' remuneration report

Remuneration at a glance

The overall Remuneration Policy is designed to promote the long-term success of the Group whilst ensuring it does not support inappropriate risk taking. The Remuneration Committee has developed the Directors' Remuneration Policy with the following principles in mind:

Aligned with shareholders – in order to motivate Executive Directors and incentivise the delivery of sustained performance over the long term, and to promote alignment with shareholders' interests.

Aligned with financial performance – to motivate Executive Directors and support the delivery of the Group's financial and strategic business targets.

Aligned with colleagues – by striving for as consistent as possible an approach between the Executive Directors and senior management and with regard to the approach for the wider workforce.

Aligned with clients – the continued strategy to be the best provider of services to the UK pensions market, for everything trustees and employers need in this market, at the same time as achieving sustainable growth through investing in client services, technology and staff, demonstrates the commitment to providing an agile, high-quality and market-leading service that puts client satisfaction at the heart of the business.

Competitive – remuneration packages are reviewed annually and benchmarked by reference to the external market. This informs how we achieve our objective of attracting and retaining highly talented people who know that good performance will be rewarded.

Designed to encourage retention and to reward performance – deferred variable remuneration does not give rise to any immediate entitlement. Long-term incentive awards normally require the participant to be employed continuously by the Group until at least the third anniversary of grant in order to vest in full and to subsequently hold vested awards for a further period of two years.

FY 2026

Fixed pay

Base salary

Co-CEOs	CFO
£435,322	**£376,503**

Pension

Co-CEOs	CFO	Average employee
6% of salary	**6% of salary**	**6% of salary**

Benefits

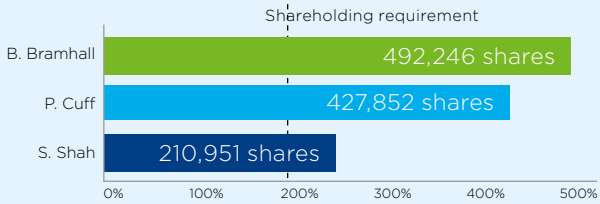
Benefits currently include permanent health insurance, life insurance, private medical insurance and car allowance.

Shareholding

Shareholding requirement of at least 200% of salary.

Actual level % of base salary at 31 March 2025

Ben Bramhall	Paul Cuff	Snehal Shah
496%	**431%**	**246%**



Annual bonus

2026 annual bonus

Co-CEOs	CFO
£576,584	**£415,563**
88.3% of maximum 132% of salary	88.3% of maximum 110% of salary

Bonus delivery
Beyond 100% of salary deferred in shares

Long-term incentive plan

2023 PSP estimated outcome*

Co-CEOs	CFO
100%	**100%**

Performance conditions:
EPS, TSR, CO_2 emissions reduction

Subject to two-year holding period.

Malus and clawback provisions apply.

* Vesting 17 July 2026.

FY 2027

Fixed pay

Base salary

Co-CEOs	CFO	Average employee
£500,620	**£414,153**	
↑ 15.0%	↑ 10.0%	↑ 4.5%

Pension

No change for FY 2027.

Benefits

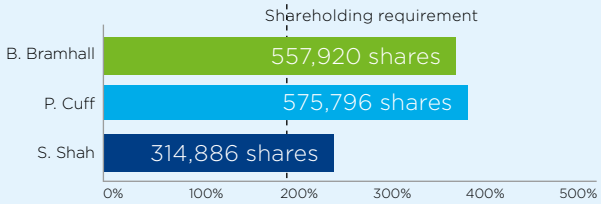
No change for FY 2027.

Shareholding

No change to the shareholding requirement.

Actual level % of base salary at 31 March 2026

Ben Bramhall	Paul Cuff	Snehal Shah
372%	**384%**	**243%**



Annual bonus

2027 annual bonus

Co-CEOs maximum
150% of salary

CFO maximum
125% of salary

Bonus delivery
30% of bonus earned normally deferred in shares (unless the minimum share ownership requirement has been met)

Group adj. PBT	**75%**
Personal objectives	**25%**

Long-term incentive plan

Anticipated award grants as % of base salary

Co-CEOs	CFO
150%	**125%**

EPS	**70%**
TSR	**20%**
ESG	**10%**

Directors' remuneration report continued

Remuneration aligned with strategy and growth

The Remuneration Committee continues to focus on incentivising results, rewarding strong performance and linking remuneration to long-term value for our shareholders.

This year's proposed Directors' Remuneration Policy has been updated following consideration of shareholder feedback and evolving best practice."

Imogen Joss
Chair of the Remuneration Committee

Committee membership	Attendance
Chair	
Imogen Joss	**5/5**
Members	
Martin Sutherland	**5/5**
Sarah Ing	**5/5**
Aisling Kennedy	**5/5**
Alan Bannatyne (resigned September 2025)	**3/3**
Margaret Snowdon OBE (resigned March 2026)	**4/4**
Michelle Cracknell (appointed March 2026)	**1/1**
April Talintyre (appointed March 2026)	**1/1**

Dear Shareholder,

On behalf of the Remuneration Committee (the "Committee"), I am pleased to present the Directors' Remuneration Report for FY 2026. This report covers three areas:

- my annual statement;
- the Directors' Remuneration Policy, which will apply for a maximum of three years from the 2026 AGM, replacing the Policy previously approved at the March 2024 General Meeting, and which will be subject to a binding shareholder vote at the 2026 AGM; and
- the Annual Report on Remuneration, which describes how the Directors' Remuneration Policy was applied in FY 2026 and how it will be implemented in FY 2027. This report, along with my annual statement, will together be subject to an advisory shareholder vote at the 2026 AGM.

I would also like to thank Alan Bannatyne and Margaret Snowdon OBE, who stepped down from the Board and the Committee during the year, for their extremely valuable contributions over many years. In addition, I would like to welcome Michelle Cracknell and April Talintyre, who both recently joined the Committee.

Operational highlights

The financial year ended 31 March 2026 was another year of strong performance for the Group. Revenues increased by 13% year on year, including organic growth of 7%, while adjusted fully diluted EPS increased by 8%. All areas of the Group have performed well, and continued investment in systems will provide longer-term benefits for the Group.

Employee engagement and client satisfaction remained high throughout the year, and our strong culture continued to be recognised externally through a number of industry awards, including being named Sponsor Covenant/IRM Adviser of the Year at the UK Pensions Awards for the second consecutive year.

This performance has reinforced the Committee's view that pay should be set at a fair and appropriate level for a Company that has grown substantially and delivered excellent results over a sustained period, as demonstrated by the five-year performance summary below:

- Revenue increased to £262.7m in FY 2026, compared with £127.9m in FY 2021;
- Profit before tax increased to £38.7m in FY 2026, compared with £11.4m in FY 2021;
- The number of employees increased to over 2,000 employees in FY 2026, compared with 1,325 in FY 2021;
- The Company has completed seven acquisitions since listing in 2017; and
- Total shareholder return was 200% over the last five years, compared with 14% for the FTSE 250 Index.

Engaging with our stakeholders

Shareholders

At last year's Annual General Meeting, held on 4 September 2025, shareholders approved the Remuneration Report with 97% of votes cast in favour. The Committee was pleased that this level of support reflected shareholder endorsement of recent Committee decisions, including the salary adjustments implemented for FY 2026.

Prior to the publication of this year's Directors' Remuneration Report, I engaged with our largest shareholders to seek their views on the proposed updated Policy and its implementation. I would like to thank those shareholders who provided feedback. Overall, the response was supportive of the proposals, although a number of refinements were made in light of the views received.

Employees

The Employee Engagement Group, chaired by XPS Group's designated Employee Engagement Non-Executive Director, Aisling Kennedy, considers Executive Directors' remuneration, taking employee perspectives into account.

The Group was established to provide an employee voice to the Board by raising matters and issues highlighted by employees. It acts as a consultative forum through which employees can share ideas and concerns with the Board, rather than as a decision-making body.

One area of focus for the Employee Engagement Group is Executive Director remuneration. Members are invited to provide feedback on the Directors' Remuneration Policy and Executive Director objectives. The Group therefore plays an important role in supporting engagement between the Board and XPS employees.

Wider workforce remuneration

The Committee continues to review remuneration arrangements across the wider workforce and takes these into account when considering remuneration arrangements for the Executive Directors and other members of senior management.

During the year, the Committee also reviewed the Group's gender pay gap and ethnicity pay gap analysis, together with the related action plans.

Annual bonus payments for FY 2026

The financial element of these bonuses is based on Group profit before tax (PBT). The reported Group adjusted PBT for FY 2026 has resulted in a bonus payment of 84.4% of the maximum for this element of the bonus.

The Committee determined that the strategic objectives had been fully met which, therefore, led to a bonus outturn of 88.3% of the overall maximum for the Co-CEOs and CFO.

	% of salary	% of maximum
Ben Bramhall	150%	88.3%
Paul Cuff	150%	88.3%
Snehal Shah	125%	88.3%

Vesting outcomes for the 2023 PSP awards

The July 2023 PSP award comprised a main award subject to underlying EPS, relative TSR and CO_2 emissions and a one-off additional award fully based on EPS performance. Based on current performance, overall vesting is estimated at 100% of maximum for both the main and additional award. The Committee considers that the share price appreciation since grant is aligned with the underlying performance of the business.

The Committee considers that the Policy operated as intended during FY 2026 and that remuneration outcomes were consistent with Group performance and appropriately reflected the value delivered to shareholders over the relevant periods. The Committee concluded that no discretionary adjustments to these remuneration outcomes were necessary.

Renewal of our Directors' Remuneration Policy at the 2026 AGM

Over the course of the year, the Remuneration Committee undertook a full review of our Directors' Remuneration Policy, reflecting its first review since becoming a FTSE 250 company, and considered its effectiveness in supporting the Company's strategy.

Various changes were considered; however, following the review, we concluded that shareholders should be asked to approve a largely unchanged Remuneration Policy at our 2026 AGM. This means:

- no changes to the overarching remuneration framework;
- continuing to operate a relatively standard approach to incentive pay, comprising an annual bonus plan (with partial deferral into shares) and a single performance-driven share-based long-term incentive plan (with a three-year vesting period and a further two-year holding period for Executive Directors); and
- retaining sufficient flexibility for the Remuneration Committee to determine, on an annual basis, the performance measures it considers most appropriate for the Company's incentive plans.

Annual bonus

The current annual bonus policy maximum of 150% of base salary will remain unchanged, with the Co-CEOs' maximum opportunity for FY 2027 remaining at this level and the CFO's maximum opportunity remaining at 125% of salary.

Under the current Policy, bonus payments of up to 100% of salary are payable in cash, with any amount above this deferred into shares for two years.

In line with current and evolving market practice, the proposed approach under the new Policy from FY 2027 onwards is that 30% of any bonus earned will normally be deferred into shares for two years. However, where the shareholding guideline of 200% of salary has been met, the compulsory deferral requirement may be reduced or waived entirely. The Committee believes that executives who have achieved the shareholding guideline are already strongly aligned with shareholder interests, making additional mandatory deferral less necessary.

Directors' remuneration report continued

Renewal of our Directors' Remuneration Policy at the 2026 AGM continued

Annual bonus continued

In line with standard practice deferred shares count towards the shareholding guideline (net of anticipated tax liabilities) and, as a result, executives may already hold shares materially in excess of the required level that could otherwise be sold. Accordingly, the Committee considers this change to be a pragmatic simplification and appropriate in light of the recent review of the withholding provisions and related enforceability considerations referred to below.

The Committee also notes that any Executive Director who has met the shareholding guideline is likely to have outstanding PSP awards that remain subject to the withholding provisions.

Performance Share Plan

The Committee believes that the Company's current approach to Executive Directors' share awards remains appropriate. Accordingly, the Committee intends to continue its annual grant practice of awarding nominal-cost options over shares to the Co-CEOs and CFO, with vesting continuing to be subject to the achievement of stretching three-year EPS, TSR and ESG targets.

Under the current Policy, the normal maximum market value of shares that may be awarded to Executive Directors under the PSP in any year is 150% of base salary, with awards of up to 200% permitted in exceptional circumstances. These limits have remained unchanged since IPO.

In recognition of the Company's performance, the contribution of the executives, and the increased scale and complexity of the business, the normal Policy limit will increase to 200% of base salary. This change is intended to provide additional flexibility over the life of the Policy, while removing the separate exceptional circumstances limit. The revised limit is aligned with the FTSE 250 median.

The Remuneration Committee will continue to consider business performance and prevailing share price levels when determining the size of PSP awards granted each year to the Executive Directors, within the approved Policy limits. Award levels for FY 2027 will remain in line with those for the prior year at no more than 150% of salary for the Co-CEOs and 125% of salary for the CFO.

Malus and clawback

As part of the policy review, the robustness of the current withholding provisions (i.e. malus and clawback) was evaluated. The Committee concluded that the existing malus and clawback triggers remain appropriate, as do the associated timeframes, which provide for a significant period following the end of the relevant performance period during which the provisions may be applied.

To strengthen the enforceability of these provisions in practice, a comprehensive review of supporting policy and procedural documentation has been undertaken and corresponding amendments have been made to the Directors' service contracts.

Operation of the Directors' Remuneration Policy for FY 2027

Salary review

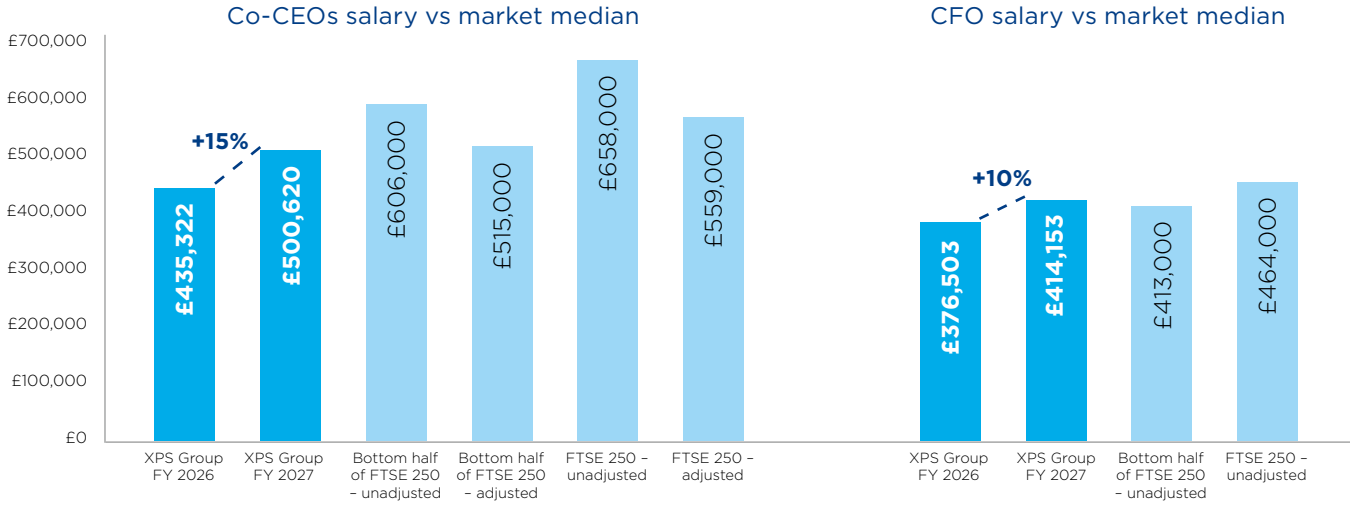
As outlined in last year's report, given the scale of the long-standing gap between the Executive Directors' salaries and prevailing market levels, it was anticipated that a further increase above wider employee salary inflation may be considered for FY 2027.

As noted above, shareholder feedback was supportive of the Committee's proposed implementation of the second stage of the two-step salary adjustment for FY 2027, including the potential for increases of up to the 17% applied for FY 2026. However, the actual salary increases implemented for FY 2027, as outlined below, are at lower levels than those awarded in the prior year. Following a review of business and individual performance, the Committee concluded that it was appropriate to proceed with this approach.

In reviewing Executive Directors' salaries, the Committee continues to take a holistic approach, considering the impact of salary increases on overall remuneration, salary increases across the wider workforce, and the Group's strong absolute and relative performance.

The Committee uses benchmarking data with caution and has continued to reference the lower half of the FTSE 250, reflecting the Company's current position by market capitalisation.

In assessing market positioning for the Co-CEOs, the Committee considers it appropriate to apply a 15% discount to CEO benchmark data to reflect the shared leadership structure. Comparable FTSE 250 data, including both adjusted and unadjusted CEO benchmark figures, together with unadjusted CFO data, is provided below as a reference point.



The Committee determined that salary increases of 15% for the Co-CEOs and 10% for the CFO were appropriate for FY 2027. The resulting salary levels are aligned with the selected market reference data and remain substantially below broader FTSE 250 market levels.

A summary of the proposed increases and the resulting positioning relative to the market data is set out on the previous page. The benchmark data presented is unaged and, due to the timing of published information, does not yet fully reflect the 2026 market position, which is expected to be modestly higher once updated data becomes available.

It should be noted that the corresponding on-target remuneration levels are positioned relatively lower against the market data, reflecting incentive opportunities that are below those typically seen in similar-sized companies.

The Committee is mindful that these salary increases are significantly above the 6.7% average increase awarded to the wider workforce and recognises how they may be perceived. However, this approach is consistent with that applied across the wider organisation, where salary levels for strong performers that are materially below market may be adjusted accordingly.

Following these adjustments, it is expected that any future salary increases will, for at least the remainder of the new Policy period, be limited to no more than the general workforce increase.

Non-Executive Chair fee

During the year, the Committee undertook a review of the Non-Executive Chair fee. The review concluded that the current fee of £150,000 per annum, which has only been increased once since IPO, was materially below market levels for companies of a comparable size.

The Committee therefore determined that the fee should increase to £215,000 per annum, broadly aligned with the median level within the lower half of the FTSE 250.

The Committee recognises that, particularly in percentage terms, this represents a substantial increase. However, it believes that the revised fee appropriately reflects the scale, complexity and time commitment associated with the role, while supporting the Company's ability to attract and retain high-quality Board leadership.

Summary of implementation

A summary of the proposed implementation of the Policy is set out below:

Component	Summary of approach
Base salary and benefits	Base salary and benefits are reviewed annually with effect from 1 April, taking into account a range of factors, including the approach to salary reviews across the wider Group, individual performance and Company performance. For FY 2027, the base salaries of the Co-CEOs have increased by 15% and the CFO's salary by 10%. This compares with an average increase of 4.5% awarded to the wider workforce over the year. Ben Bramhall – £500,620 Paul Cuff – £500,620 Snehal Shah – £414,153
Pension	Defined contribution pension contributions and/or cash supplements of 6% of salary are provided, aligned with the rate available to new employees. This remains below the pension rates applicable to many employees who joined the Group through acquisitions.
Annual bonus	Annual bonus awards are payable subject to the achievement of challenging financial, strategic and personal performance conditions, which are expected to include sustainability, culture and technology-related objectives. Malus and clawback provisions apply. Maximum bonus opportunity for FY 2027: Ben Bramhall – 150% of salary Paul Cuff – 150% of salary Snehal Shah – 125% of salary 30% of any bonus earned will normally be deferred into shares for two years. However, where the applicable shareholding guideline has been met, no compulsory deferral will be applied.
Long-term incentives	Annual awards of performance shares are granted under the PSP. Awards vest, subject to performance conditions, after three years and are subject to a further two-year holding period. Malus and clawback provisions apply. Maximum grant levels for FY 2027: Ben Bramhall – 150% of salary Paul Cuff – 150% of salary Snehal Shah – 125% of salary
All-employee share plans	Executive Directors are eligible to participate in the Company's all-employee share plans, including the Share Save Plan, on the same terms as other employees.
Shareholding guidelines	Executive Directors are subject to a minimum shareholding requirement of 200% of salary. Post-cessation shareholding guidelines also apply, requiring Executive Directors to retain shares equivalent to 200% of salary for one year following cessation of employment and 100% of salary for a further year thereafter.

I hope that this year's report provides a clear account of the Committee's application of the Policy during the year and its proposed approach going forward.

In addition to the usual remuneration-related resolutions at the forthcoming AGM, shareholders will also be asked to approve the 2026 PSP and 2026 SAYE plans, reflecting that the current plans are approaching the end of their operational lives.

I look forward to your continued support for the Company's approach to remuneration at XPS.

I would also like to thank my fellow Committee members for their valuable contributions throughout the year.

Imogen Joss
Chair of the Remuneration Committee
17 June 2026

Directors' remuneration report continued

Directors' Remuneration Policy 2026

This Remuneration Policy, which has been approved by the Board, contains the material required to be set out in the Directors' Remuneration Report for the purposes of Part 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, which amended The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the "DRR Regulations").

The Directors' Remuneration Policy set out in this section of the Directors' Remuneration Report, subject to the approval of shareholders, will take effect from the conclusion of the AGM on 8 September 2026 and will replace the Policy approved at the 2024 General Meeting.

The new Policy remains substantially unchanged from the current Policy, except for the following key updates:

- Base salary – Simplification of the salary increase framework to provide the Committee with greater flexibility to respond to individual and business circumstances, while maintaining the principle that salary increases will normally align with those of the wider workforce.
- Bonus deferral – Revision to the bonus deferral structure so that 30% of any annual bonus earned will normally be deferred into shares for two years, replacing the previous structure under which only bonus earned above 100% of salary was deferred. Where the applicable share ownership guideline has been met, the Committee may going forward reduce or waive the mandatory deferral requirement, reflecting the existing alignment of executives with shareholder interests. This change is aligned with evolving market practice. In approving this change, the Committee also considered the robustness of the Company's malus and clawback provisions.
- PSP award limits – Increase in the normal PSP award limit from 150% to 200% of salary, with the removal of the separate exceptional circumstances limit. Award levels for FY 2027 will remain unchanged at 150% of salary for the Co-CEOs and 125% of salary for the CFO.

Element and purpose	Policy and operation	Maximum	Performance measures
Base salary The core element of pay, reflecting the individual's position within the Company and experience	The base salary of each Executive Director takes into account the performance of each individual and is set at an appropriate level to secure and retain the talent needed to deliver the Group's strategic objectives. Salaries are normally reviewed annually on 1 April and are influenced by: information from relevant comparator groups (referencing the Group's competitors and public companies in other industries); the performance of each individual Executive Director; and average increases for employees across the Group as a whole.	While there is no prescribed maximum salary or maximum increase, increases will normally be no higher than the average level of salary increases awarded (in percentage terms) to the wider workforce. Larger salary increases may be awarded to take account of individual circumstances, such as: • where an Executive Director has been promoted or has had a change in scope or responsibility; • where the Committee has set the salary of a new hire at a discount to the market level initially, a series of planned increases can be implemented over the following few years to bring the salary to the appropriate market position, subject to individual performance; or • where the Committee considers it appropriate to adjust salaries to reflect the continuing development of the Company. This would normally only be considered: (i) where adjustments would be made on a phased basis; and (ii) after appropriate consultation with leading shareholders. Increases may be implemented over such time period as the Committee deems appropriate.	n/a
Benefits in kind To provide market-competitive benefits valued by recipients	Benefits currently include permanent health insurance, life insurance, private medical insurance and car allowance and may also include other benefits in the future. In certain limited circumstances, relocation allowances may be necessary. All benefits are subject to annual review to ensure they remain in line with market practice.	Benefits (excluding any relocation allowances) may be provided up to an aggregate value of normally £40,000 for each Executive Director (indexed to inflation).	n/a
Pension To provide retirement benefits	Executive Directors participating in the pension plan benefit from matching annual Group contributions of up to 6% of base salary. Executive Directors are entitled to take all or part of their pension contributions as a cash allowance.	The maximum employer's contribution (or cash supplement) is 6% of salary. Executive Directors' employer's contribution levels are aligned to the contribution levels for the majority of the workforce.	n/a

Element and purpose	Policy and operation	Maximum	Performance measures
Annual bonus To motivate Executive Directors and support the delivery of the Group's financial and strategic business targets over a one-year operating cycle	Annual bonus plan levels and the appropriateness of measures are reviewed annually to ensure they continue to support our strategy. Once set, performance measures and targets will generally remain unchanged for the year, except to reflect events (e.g. corporate acquisitions, other major transactions) where the Committee considers it to be necessary in its opinion to make appropriate adjustments. The Committee will normally require 30% of any annual bonus earned to be deferred into shares for two years. Where the applicable share ownership guideline has been achieved, the Committee may reduce or waive the mandatory deferral requirement. The value of the deferred awards may be increased to reflect the value of dividends that would have been paid in respect of any record dates falling between the grant of awards and the expiry of any vesting period. Clawback and malus provisions apply as explained in more detail in the notes to this Policy table.	The maximum annual bonus opportunity is 150% of base salary. For FY 2027, the maximum opportunity will be 150% of base salary for the Co-CEOs and 125% for the CFO.	Bonuses will be payable subject to the achievement of performance conditions which will be set by the Remuneration Committee. The targets may be financial and/or personal and strategic. The intended weighting of these measures is not less than 60% financial. Where a sliding scale of targets is used, attaining the threshold level of performance for any measure will not typically produce a payout of more than 20% of the maximum portion of overall annual bonus attributable to that measure, with a sliding scale to full payout for maximum performance. Bonus payments will also be subject to the Committee considering that the proposed bonus amounts, calculated by reference to performance against the targets, appropriately reflect the Company's overall performance and shareholders' experience. If the Committee does not believe this to be the case, it retains the discretion to adjust the bonus outturn accordingly.
Performance Share Plan To motivate Executive Directors and incentivise the delivery of sustained performance over the long term, and to promote alignment with shareholders' interests	Awards under the PSP may be granted as nil/nominal cost options which vest to the extent performance conditions are satisfied over a period normally of at least three years. Awards will vest at the end of the specified vesting period at the discretion of the Remuneration Committee and are subject to a further holding period of two years (or such shorter period so that the period from the date of grant until the end of the holding period will be equal to five years). The PSP rules allow that the number of shares (or the cash equivalent) subject to vested PSP awards may be increased to reflect the value of dividends that would have been paid in respect of any record dates falling between the grant of awards and the expiry of any vesting / holding period. Clawback and malus provisions applied are explained in more detail in the notes to this Policy table.	The market value of shares to be awarded to Executive Directors in respect of any year will normally be up to 200% of base salary. For FY 2027, the maximum award levels will be 150% of base salary for the Co-CEOs and 125% for the CFO.	The Remuneration Committee may impose such conditions as it considers appropriate which must be satisfied before any award will vest. All awards made to Executive Directors will be subject to performance conditions which measure performance over a period normally no less than three years. No more than 25% of awards vest for attaining the threshold level of performance. The formulaic outcome of all PSP performance measures will also be subject to the Committee considering that the proposed levels, calculated by reference to performance against the targets, appropriately reflect the Company's overall performance and shareholders' experience. If the Committee does not believe this to be the case, it retains the discretion to adjust the PSP outturn accordingly.

Directors' remuneration report continued

Directors' Remuneration Policy continued

Element and purpose	Policy and operation	Maximum	Performance measures
Share ownership guidelines To promote stewardship and to further align the interests of Executive Directors with those of shareholders	The share ownership guidelines encourage Executive Directors to build or maintain (as appropriate) a shareholding in the Company. If any Executive Director does not meet the guideline, they will be expected to retain at least 50% of the net of tax number of shares vesting under any of the Company's discretionary share incentive arrangements (including any deferred bonus shares) until the guideline is met. Any performance vested shares subject to a holding period and any shares awarded in connection with annual bonus deferral will be credited for the purpose of the guidelines (discounted for anticipated tax liabilities). Executive Directors will be required to maintain a shareholding in the Company for a two-year period after stepping down from that position, being in the first year, the lesser of the guideline level or the Executive Directors' actual relevant shareholding at leaving and reducing to 50% of this requirement in the second year. For the purpose of this post-cessation shareholding requirement, the Executive Directors' actual relevant shareholding will include shares vesting under any of the Company's discretionary share incentive arrangements (including any deferred bonus shares) from awards granted after the 2020 AGM but excludes shares acquired and the release of shares under share incentive plans where the grant occurred prior to the adoption of the Policy. The Committee will retain the discretion to remove the holding requirement if it is deemed to be inappropriate.	No maximum level but not less than 200% of base salary for any Executive Director.	n/a
All-employee share plans To facilitate and encourage share ownership by staff, thereby allowing everyone to share in the long-term success of the Company and align interests with those of shareholders	The Executive Directors will be entitled to participate in all of the Company's all-employee share plans, including the Share Save Plan, on the same terms as other employees. These all-employee share plans are established under HMRC tax-advantaged regimes and follow the usual form for such plans.	The maximum participation levels for all-employee share plans will be the limits for such plans set by HMRC from time to time. However, the Company may impose lower limits on a scheme-by-scheme basis.	Consistent with normal practice, such awards would not be subject to performance conditions.

Element and purpose	Policy and operation	Maximum	Performance measures
Chair and Non-Executive Directors' fees To enable the Company to recruit and retain Company Chairs and Non-Executive Directors of the highest calibre, at the appropriate cost	The fees paid to the Chair and Non-Executive Directors aim to be competitive with other listed companies of equivalent size and complexity. The fees payable to the Non-Executive Directors are determined by the Board, with the Chair's fees determined by the Committee. No Director participates in decisions regarding their own fees. The Chair and Non-Executive Directors do not participate in any cash or share incentive plans. The Chair and Non-Executive Directors are entitled to benefits relating to travel and office support and such other benefits as may be considered appropriate. The Chair is paid a single fee for the role, although additional fees may be provided if any specific and additional services are required to be performed. Non-Executive Directors receive a base fee for the role. Additional fees are paid for acting as Senior Independent Director, Chair of the Audit & Risk, Remuneration or other Board Committees or Designated Employee Engagement NED to reflect the additional time commitment. They will be entitled to an additional fee if they are required to perform any specific and additional services.	The aggregate fees and any benefits of the Chair and Non-Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees, currently £750,000 p.a. in aggregate. Any increases in fee levels made will be appropriately disclosed.	n/a

Directors' remuneration report continued

Directors' Remuneration Policy continued

Notes to the Policy table

- **Stating maxima for each element of the Remuneration Policy:** The DRR Regulations and related investor guidance encourage companies to disclose a cap within which each element of the Directors' Remuneration Policy will operate. Where maximum amounts for elements of remuneration have been set within the Policy, these will operate simply as caps and are not indicative of any aspiration.
- **Travel and hospitality:** While the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality, whether paid for by the Company or another, and business travel for Directors (and in exceptional circumstances their families) may technically come within the applicable rules, and so the Committee expressly reserves the right to authorise such activities.
- **Past obligations:** In addition to the above elements of remuneration, any commitment made prior to, but due to be fulfilled after, the approval and implementation of this Remuneration Policy will be honoured.
- **Malus/clawback:** The Committee may apply malus (being the ability to withhold or reduce a payment/ vesting) and clawback (the ability to reclaim some or all of a payment/vesting) to an award under the annual bonus or PSP where there are circumstances which would justify such action.

  The relevant circumstances where these powers of recovery may operate include:

  - the Company materially misstated its financial results for any reason and that misstatement would result or resulted either directly or indirectly in an award being granted or vesting to a greater extent than would have been the case had that misstatement not been made;
  - the extent to which any performance target and/or any other condition was satisfied was based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in an award being granted or vesting to a greater extent than would have been the case had that error not been made;
  - circumstances arose (or continued to arise) during the vesting period (including any holding period) of an award which would have warranted the summary dismissal of the participant; or
  - there is a sufficiently significant impact on the reputation of the Company (including a Company failure) to justify the operation of malus or clawback.

  Normally, clawback may operate for up to two years following the vesting of an award. The Committee considers this to represent a significant period following the end of the relevant performance period during which relevant information may come to light and the provisions may be enforced.

Performance conditions: The performance-related elements of remuneration take into account the Group's risk policies and systems and are designed to align the senior executives' interests with those of shareholders. The Committee reviews the metrics used and targets set for the Group Executive Directors and senior management (not just the Executive Directors) every year, in order to ensure that they are aligned with the Group's strategy and to ensure an appropriate level of consistency.

- **Differences between the policy in respect of remuneration for Directors and the policy on remuneration for other staff:** While the appropriate benchmarks vary by role, the Company seeks to apply the philosophy behind this Policy across the Company as a whole. Where the Group's pay policy for Directors differs from its pay policies for other groups of staff, this reflects the appropriate market rate position and/or typical practice for the relevant roles. The Company takes into account pay levels, bonus opportunity and share awards applied across the Group as a whole when setting the Executive Directors' Remuneration Policy.
- **Committee discretions:** The Committee will operate the annual bonus plan and PSP according to their respective rules and the above Remuneration Policy table. The Committee retains discretion, consistent with market practice, in a number of respects, in relation to the operation and administration of these plans. This discretion includes, but is not limited to, the following:

  - the selection of participants;
  - the timing of grant of awards;
  - the size of an award/bonus opportunity subject to the maximum limits set out in the Remuneration Policy table and the rules of the relevant plan;
  - the determination of performance against targets and resultant vesting/payouts;
  - discretion required when dealing with a change of control or restructuring of the Company;
  - determination of the treatment of leavers based on the rules of the relevant plan and the appropriate treatment chosen;
  - adjustments required in certain circumstances (e.g. rights issue, corporate restructuring events and special dividends); and
  - the annual review of performance measures, weightings and targets from year to year.

  In addition, while performance measures and targets used in the annual bonus plan and PSP will generally remain unaltered, if events occur which the Committee determines would make a different or amended target a fairer measure of performance, such amended or different targets can be set provided they are not materially more or less difficult to satisfy, having regard to the event in question.

  Any use of the above discretion would, where relevant, be explained in the Annual Report on Directors' Remuneration and may, where appropriate and practicable, be the subject of consultation with the Company's major shareholders.

The Committee may make minor amendments to the Remuneration Policy set out above for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation, without obtaining shareholder approval for that amendment.

Remuneration policy on recruitment

The Company's recruitment remuneration policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high-calibre executives to strengthen the management team and secure the skill sets to deliver our strategic aims.

In terms of the principles for setting a package for a new Executive Director, the starting point for the Committee will be to apply the Remuneration Policy for Executive Directors as set out above and structure a package in accordance with that Policy. Consistent with the DRR Regulations, any caps contained within the Policy for fixed pay do not apply to new recruits, although the Committee would not envisage exceeding these caps in practice unless absolutely necessary.

The annual bonus plan and PSP, including the maximum award levels, will operate as detailed in the general Remuneration Policy in relation to any newly appointed Executive Director. For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.

For both external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses as it considers appropriate.

For external candidates, it may be necessary to make additional awards in connection with the recruitment to buy out awards forfeited by the individual on leaving a previous employer. Any recruitment-related awards which are not buy-outs will be subject to the limits of the annual bonus plan and PSP as stated in the general Policy. Details of any recruitment-related awards will be appropriately disclosed.

For any buy-outs the Company will not pay more than is necessary in the view of the Committee and will be limited in value to what the Committee considers to be a fair estimate of the value of the awards forgone. The Committee will in all cases seek, in the first instance, to deliver any such awards under the terms of the existing annual bonus plan and PSP. It may, however, be necessary in some cases to make buy-out awards on terms that are more bespoke than the existing annual bonus plan and PSP.

All buy-outs, whether under the annual bonus plan, PSP or otherwise, will take due account of the service obligations and performance requirements for any remuneration relinquished by the individual when leaving a previous employer.

The Committee will seek, where it is practicable to do so, to make buy-outs subject to what are, in its opinion, comparable requirements in respect of service and performance. However, the Committee may choose to relax this requirement in certain cases, such as where the service and/or performance requirements are materially completed, or where such factors are, in the view of the Committee, reflected in some other way, such as a significant discount to the face value of the awards forfeited, and where the Committee considers it to be in the interests of shareholders.

Service contracts

Executive Directors

Ben Bramhall and Paul Cuff entered into a service agreement with the Company that was effective upon admission and dated 16 February 2017. Snehal Shah entered into a service agreement with the Company that was effective 28 May 2019, the date of his employment beginning, although Snehal was not appointed as Chief Financial Officer until FCA approval was received on 9 July 2019. The policy is that each Executive Director's service agreement should be of indefinite duration, subject to termination by the Company or the individual on no more than 12 months' notice.

The service agreements of all Executive Directors, which are available for inspection at the Company's registered office, comply with this policy:

- The Executive Directors' service agreements are terminable by either party on not less than nine months' written notice for the Co-CEO, six months for the CFO or immediately upon payment in lieu of notice, and contain a garden leave clause.
- In each case any payment in lieu of notice will be calculated by reference to base salary and contractual benefits only and will not include any entitlement to bonus.

Chair and Non-Executive Directors

The appointment of Sarah Ing is subject to the terms of a letter of appointment dated 19 March 2019, the appointment of Aisling Kennedy is subject to the terms of a letter of appointment dated 22 February 2023, the appointments of Imogen Joss and Martin Sutherland are subject to the terms of letters of appointment dated 7 December 2023 and the appointments of Michelle Cracknell and April Talintyre are subject to the terms of letters of appointment dated 5 March 2026. They are not entitled to receive any compensation on termination of their appointment (other than payment in respect of a notice period where notice is served) and are not entitled to participate in the Company's share plans, bonus arrangements or pension schemes.

They are entitled to be reimbursed for all reasonable out-of-pocket expenses incurred in the proper performance of their duties.

Their appointment may be terminated at any time upon three months' written notice by either party and with immediate effect in certain circumstances. The appointment may also be terminated pursuant to the Articles or as otherwise required by law. They are subject to retirement by rotation every three years under the Articles but intend to retire and submit themselves for re-election by shareholders each year at the Annual General Meeting.

Directors' remuneration report continued

Directors' Remuneration Policy continued

Remuneration policy on termination

The Committee will consider treatments on a termination having regard to all of the relevant facts and circumstances available at that time. This policy applies both to any negotiations linked to notice periods on a termination and any treatments that the Committee may choose to apply under the discretions available to it under the terms of the annual bonus plan and PSP. The potential treatments on termination under these plans are as follows:

Annual bonus plan

If an Executive Director resigns or is dismissed for cause before the bonus payment date, the right to receive any bonus normally lapses (unless the Committee determines otherwise). If an Executive Director ceases employment before the bonus date because of death, injury, ill health, disability or any other reason determined by the Committee, such bonus will be payable as the Committee in its absolute discretion determines taking into account the circumstances for leaving, time in employment and performance. Similar treatment will apply in the event of a change in control of the Company.

Deferred bonus awards are normally preserved in all leaver cases (unless an Executive Director ceases employment due to gross misconduct or gross negligence) but release will not typically be accelerated, except in the case of death in service. The Committee has the ability to release a leaver's awards early in exceptional circumstances.

Performance Share Plan (PSP)

The Committee's Policy is in accordance with the rules of the Performance Share Plan. If, during the performance or vesting period, a participant:

- resigns or is dismissed for cause, awards will normally lapse in full; and
- ceases to be employed due to death, ill health, injury or disability, retirement with the agreement of the participant's employer, redundancy, the sale or transfer of the participant's employing company or business out of the Group (other than on change of control), or for other reasons specifically approved by the Committee, the award shall be retained and will vest at the normal vesting date (unless the Committee exercises its discretion to allow awards to vest early on cessation in exceptional circumstances) to the extent that the Committee determines. The Committee will determine the extent to which an award will vest taking into account the extent to which the performance conditions have been met and, where appropriate, the period that has expired to the date of cessation.

If a participant ceases employment during the holding period, performance-vested awards will normally be retained and the holding period will continue to apply (unless the Committee exercises its discretion to disapply the holding period in suitable cases).

The all-staff Share Save Plan provides treatments for leavers in line with HMRC rules for such plans.

The Company has the power to enter into settlement agreements with Directors and to pay compensation to settle potential legal claims.

In addition, and consistent with market practice, in the event of the termination of an Executive Director, the Company may make a contribution towards that individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees will be disclosed as part of the detail of termination arrangements.

External appointments

The Company's policy on external appointments permits an Executive Director, subject to the approval of the Chair, to serve as a Non-Executive Director for normally no more than one other organisation where this does not conflict with the individual's duties to the Company. When an Executive Director takes such a role, they may be entitled to retain any fees which they earn from that appointment.

Statement of consideration of employment conditions elsewhere in the Company

The Committee receives regular updates on overall pay and conditions in the Company which enable it to take the wider workforce remuneration into account when setting the policy for executive remuneration. Whilst the Committee does not consult directly with employees as part of the process for reviewing executive pay, the Committee does receive insights from the broader employee population via an Employee Engagement Group. Accordingly, the Committee confirms that the new Policy has been designed with due regard to the policy for remuneration of employees across the Group.

The Remuneration Policy for other employees is based on broadly consistent principles as described above. Annual salary reviews across the Company take into account Company performance, relevant pay and market conditions and salary levels for similar roles in comparable companies.

Other members of senior management participate in similar annual bonus arrangements to the Executive Directors, although award sizes vary by organisational level. Share incentive awards may also be granted to a broader population than the Executive Directors although the award sizes and terms of the awards vary. The Company operates discretionary bonus schemes for eligible groups of employees under which a bonus is payable subject to the achievement of appropriate targets. All eligible employees may participate in the Company's Share Save Plan on identical terms.

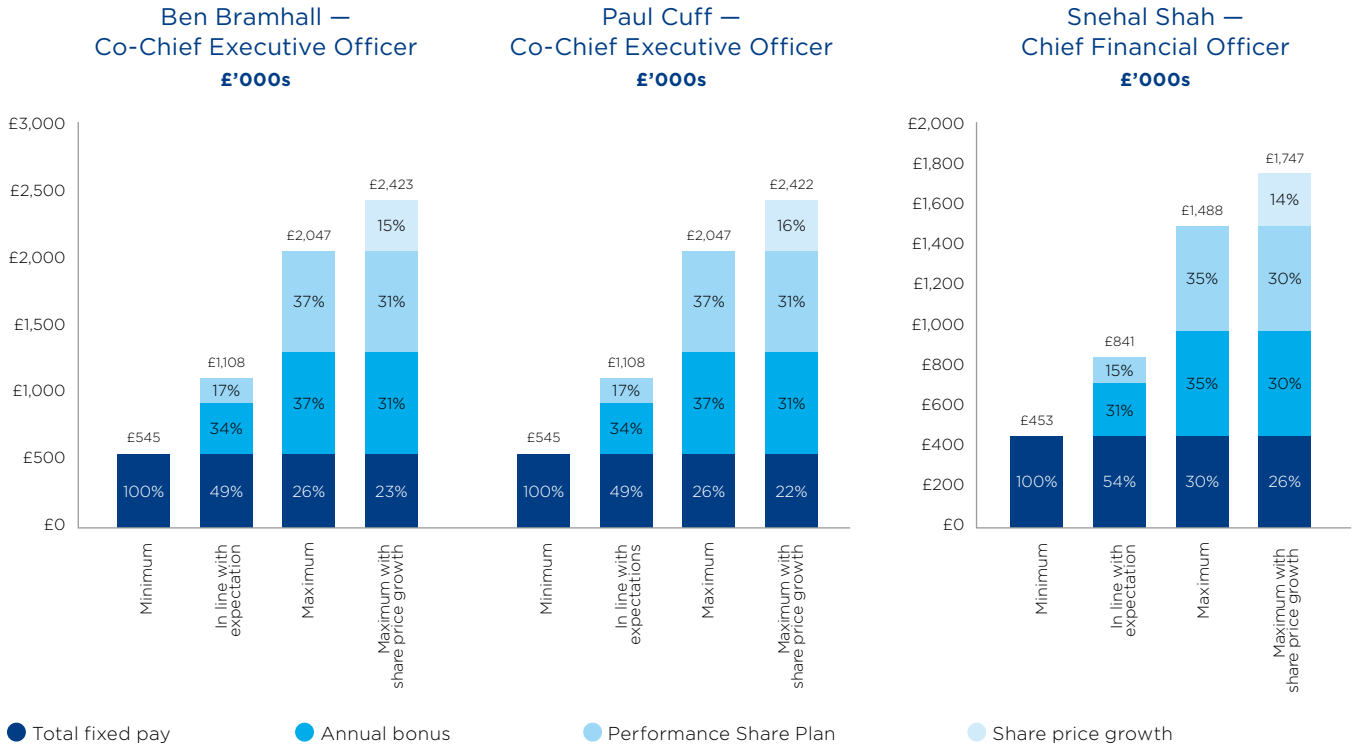
Statement of consideration of shareholders' views

The Committee considers shareholder views received during the year and at each AGM, as well as guidance from shareholder representative bodies more broadly, when determining the Remuneration Policy and its implementation. The Committee seeks to build an active and productive dialogue with investors on developments on the remuneration aspects of corporate governance generally and it will consult with major shareholders in advance of any material change to the structure and/or operation of the Policy and will seek formal shareholder approval for any such change if required.

Illustrations of application of the Directors' Remuneration Policy

The charts below show how the Remuneration Policy set out above will be applied for Executive Directors in FY 2027 based on four performance scenarios and using the assumptions below.

Minimum	Consists of base salary, benefits and pension: • base salary is the salary to be paid in FY 2027; • benefits measured as benefits paid in FY 2026; and • pension measured as the defined contribution or cash allowance in lieu of Company contributions of 6% of salary.
Target	Based on what the Executive Director would receive if performance were in line with expectations or on target (excluding share price appreciation and dividends): • annual bonus: consists of the on-target bonus (50% of maximum opportunity used for illustrative purposes); and • PSP: consists of the threshold level of vesting (25% vesting) under the PSP.
Maximum	Based on the maximum remuneration receivable (excluding share price appreciation and dividends): • annual bonus: consists of maximum bonus of 150% of salary for the Co-CEOs and 125% of salary for the CFO; and • PSP: consists of the face value of awards (150% of base salary for Co-CEOs and 125% of base salary for the CFO) under the PSP.
Maximum with 50% share price growth	As the maximum scenario plus the value resulting from a share price growth of 50% in relation to the PSP award.



Annual report on remuneration

Remuneration Committee membership

The Remuneration Committee is chaired by Imogen Joss. Sarah Ing, Aisling Kennedy, Martin Sutherland, April Talintyre and Michelle Cracknell are also members of the Committee. The Committee meets at least twice a year and at such other times as the Chair of the Committee shall require or as the Board may direct. The Committee met five times during the year. All members attended every Committee meeting they were eligible to attend throughout the year.

Other individuals, such as the Co-Chief Executive Officers, the Chief Financial Officer, the HR Director and external professional advisers, are invited to attend for all or part of any meeting as and when appropriate and necessary. The purpose of the Committee is to establish a formal and transparent procedure for developing the Remuneration Policy in accordance with the Code and to set the remuneration of the Chair and selected individuals with due account taken of all relevant factors such as individual and Group performance as well as remuneration payable by companies of a comparable size and complexity.

The Committee has formal terms of reference which are reviewed annually and can be viewed on the Company's website: www.xpsgroup.com.

Advisers

FIT Remuneration Consultants LLP (FIT), signatory to the Remuneration Consultants Group's Code of Conduct, was appointed by the Committee. FIT has been retained to provide advice to the Committee on matters relating to executive remuneration. FIT also assisted management with a central functions pay benchmarking exercise during the year and, the Committee was satisfied that the advice provided by FIT was objective and independent. FIT's fees in respect of FY 2026 were £94,043 (FY 2025: £62,258). FIT's fees are charged on the basis of the firm's standard terms of business for advice provided.

Single figure of Executive and Non-Executive Directors (audited)

The following section provides details of how the Directors were paid during the financial year to 31 March 2026:

Director		Salary/fees £	Taxable benefits[1] £	Bonus[2] £	Long-term incentives[3] £	Pension[4] £	Total remuneration £	Total fixed pay £	Total variable pay £
Executive Directors									
Ben Bramhall	**2026**	**435,322**	**14,540**	**576,584**	**1,071,971**	**24,017**	**2,122,434**	**473,879**	**1,648,555**
	2025	372,070	13,645	558,105	1,562,284	20,830	2,526,934	406,545	2,120,389
Paul Cuff	**2026**	**435,322**	**14,340**	**576,584**	**1,071,971**	**24,017**	**2,122,234**	**473,679**	**1,648,555**
	2025	372,070	13,445	558,105	1,562,284	20,830	2,526,734	406,345	2,120,389
Snehal Shah	**2026**	**376,503**	**14,063**	**415,563**	**776,114**	**20,948**	**1,603,191**	**411,514**	**1,191,677**
	2025	321,796	13,233	402,246	1,099,688	18,179	1,855,142	353,208	1,501,934
Non-Executive Directors									
Alan Bannatyne[5]	**2026**	**64,773**	**—**	**—**	**—**	**—**	**64,773**	**64,773**	**—**
	2025	150,000	—	—	—	—	150,000	150,000	—
Margaret Snowdon OBE[6]	**2026**	**59,318**	**—**	**—**	**—**	**—**	**59,318**	**59,318**	**—**
	2025	71,806	—	—	—	—	71,806	71,806	—
Sarah Ing	**2026**	**75,000**	**—**	**—**	**—**	**—**	**75,000**	**75,000**	**—**
	2025	75,000	—	—	—	—	75,000	75,000	—
Aisling Kennedy	**2026**	**75,000**	**—**	**—**	**—**	**—**	**75,000**	**75,000**	**—**
	2025	71,845	—	—	—	—	71,845	71,845	—
Imogen Joss	**2026**	**80,000**	**—**	**—**	**—**	**—**	**80,000**	**80,000**	**—**
	2025	71,349	—	—	—	—	71,349	71,349	—
Martin Sutherland[7]	**2026**	**111,477**	**—**	**—**	**—**	**—**	**111,477**	**111,477**	**—**
	2025	60,000	—	—	—	—	60,000	60,000	—
April Talintyre[8]	**2026**	**4,318**	**—**	**—**	**—**	**—**	**4,318**	**4,318**	**—**
Michelle Cracknell[8]	**2026**	**4,318**	**—**	**—**	**—**	**—**	**4,318**	**4,318**	**—**
Total	**2026**	**1,721,351**	**42,943**	**1,568,731**	**2,920,056**	**68,982**	**6,322,063**	**1,833,276**	**4,488,787**
	2025	1,565,936	40,323	1,518,456	4,224,256	59,839	7,408,810	1,666,098	5,742,712

1 Each of the Executive Directors is entitled to a range of benefits, comprising permanent health insurance, life insurance, private medical insurance and car allowance. The Non-Executive Directors do not receive other benefits.

2 The cash element of the bonus is up to 100% of salary. The remainder (24.5% of the total bonus for Ben Bramhall and Paul Cuff, 9.4% for Snehal Shah) will be deferred and awarded as a nominal cost option under the rules of the Deferred Share Bonus Plan (DSBP) in July 2026. These awards will vest after two years and will be subject to malus and clawback provisions.

3 The outturn for the July 2023 PSP which vests in July 2026 is expected to be 100% and the vesting share price has been estimated at 321.72p, based on the three-month average share price ended 31 March 2026. The grant share price for the award was 187p and accordingly the relevant figures are reflective of an increase of 72% in the Company's share price comparing the award price to the estimated vesting price. Details of the performance measures and targets applicable to the 2023 PSP are set out on pages 87 and 88. The outturn for the July 2022 PSP which vested in July 2025 was 100% and the value has been updated reflecting the actual vesting share price of 380p and the dividend equivalents.

4 Pension values shown all relate either to pension contributions or to cash allowances in lieu of pension.

5 Stepped down from the Board on 4 September 2025.

6 Stepped down from the Board on 26 March 2026.

7 Appointed Non-Executive Chair on 4 September 2025.

8 Appointed to the Board on 5 March 2026.

FY 2026 annual bonus (audited)

The Executive Directors' annual bonus targets were set at the beginning of the financial year. The financial targets which account for 75% of the annual bonus were set based on Group PBT. The Group PBT targets set are shown below.

	Threshold £m	Target £m	Stretch £m	Actual £m	Payout (% of this element)
Group adj. PBT (75% of potential)	62.4	63.4	64.6	64.2	84%

The personal performance goals which account for 25% of the annual bonus were agreed with each Executive Director and were based on a range of strategic and other objectives set at the start of the year. The targets were principally designed to focus and reward the Executive Directors for accomplishing goals which directly support the Company's strategy. Details of the measures and performance, to the extent they are not commercially sensitive, are outlined below.

Ben Bramhall and Paul Cuff – Co-CEOs

Measure	Target	Performance	Assessment
Maintain high level of staff satisfaction and morale	Maintain high employee satisfaction score in employee survey	Employee Net Promoter Score of +32 achieved.	100%
Progress inclusion and diversity agenda	Increase females in senior management roles	Increase in the percentage of females in the senior management team (from 38% to 39%) achieved.	100%
Continued effectiveness of client care programme	High level of client retention to be maintained	Client retention remained very high with no material client losses due to service quality.	100%
Maximise opportunity with client base and evolution of services reflecting market backdrop	Oversee campaigns and develop compelling solutions	Delivered services and support for pension trustees, corporate sponsors and insurers.	100%
Technology and AI	Smooth client transition onto administrative platform and implementation of AI strategy	Successful public sector transition onto administrative platform. Piloting and deploying numerous AI driven solutions.	100%

Snehal Shah – CFO

Measure	Target	Performance	Assessment
Polaris integration	Integrate the acquired firm into the finance systems and processes	Successfully integrated and management information reported regularly.	100%
Maintain OCF conversion	Above 90%	Achieved, with further improvement in the billing and collection cycle year on year.	100%
Continue to strengthen Group's risk management and preparation for Provision 29 of the Corporate Governance Code	Refreshed risk register and implementation plan for risk-related governance changes	Well progressed plan for compliance with Provision 29 of the Code.	100%
Continue to drive strong shareholder interest and engagement in XPS	Meet with non-holders and secure new institutional investors	Met with over 50 non-holders and new institutional investors, including overseas investors who joined the share register.	100%

Each objective is measurable (albeit some detail has been removed given the commercially sensitive nature), with target achievement levels evidenced by activities and outcomes. The Remuneration Committee then assessed performance against each objective in each category on the basis of evidenced outcomes and rated the level of achievement.

In light of the high standards of attainment of each of the Executive Directors, the Remuneration Committee assessed that performance against the targets had been met in full and would result in 100% of maximum for this element of bonus to be payable to the Co-CEOs and CFO.

Annual report on remuneration continued

FY 2026 annual bonus (audited) continued

This results in an outcome in aggregate of 88.3% of maximum for the Co-CEOs and CFO.

		Outcomes		
	Weightings	Ben Bramhall	Paul Cuff	Snehal Shah
Financial performance (% of this element)	75%	84.4%	84.4%	84.4%
Strategic performance (% of this element)	25%	100%	100%	100%
Total actual performance outcome (% of maximum)		88.3%	88.3%	88.3%
Total actual performance outcome (% of salary)		132.5%	132.5%	110.4%
Total actual performance outcome (£)		£576,584	£576,584	£415,563

Statement of Directors' shareholding and share interests (audited)

For each Director, the total number of Directors' interests in shares at 31 March 2026 was as follows:

Director	Ben Bramhall	Paul Cuff	Snehal Shah	Alan Bannatyne	Margaret Snowdon OBE	Sarah Ing	Aisling Kennedy	Imogen Joss	Martin Sutherland	April Talintyre	Michelle Cracknell
Number of ordinary shares held as at 31 March 2026	**557,920**	**575,796**	**314,886**	**49,627**	**30,303**	**15,000**	**—**	**—**	**11,658**	**—**	**—**
Share ownership requirement (% of salary)	200%	200%	200%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Share ownership requirement met?	Y	Y	Y	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Holding as % of March 2026 salary	**372%**	**384%**	**243%**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Number of ordinary shares held as at 31 March 2025	492,246	427,852	210,951	49,627	30,303	15,000	—	—	—	—	—

The shareholdings above include those held by Directors and their respective connected persons. Unvested deferred bonus shares are included on a net-of-tax basis. There were no changes in the Directors' interests in shares between 31 March 2026 and 17 June 2026.

Under the share ownership guidelines, the Executive Directors are required to build and maintain a shareholding equivalent to at least 200% of salary and are required to maintain a shareholding for a period after leaving the Board.

Awards granted in the year under the PSP (audited)

The following nominal cost option PSP awards were granted in July 2025.

These awards vest in 2028 subject to performance relating to a mix of adjusted EPS, relative TSR and ESG-related targets. The details of these targets are shown in the "Outstanding share plan awards" section below.

Director	Date of grant	Basis of award (% of salary)	Face value of awards at grant[1]	Number of shares under award	Date of vesting
Ben Bramhall	1 July 2025	150%	£652,982	170,136	July 2028
Paul Cuff	1 July 2025	150%	£652,982	170,136	July 2028
Snehal Shah	1 July 2025	125%	£470,627	122,623	July 2028

1 Based on the share price of £3.838 on 30 June 2025.

Awards granted in the year under the DSBP (audited)

The following nominal cost option DSBP awards were granted in July 2025.

Director	Date of grant	Basis of award (% of salary)	Face value of awards at grant[1]	Number of shares under award	Date of vesting
Ben Bramhall	1 July 2025	Bonus earned above 100% of salary for FY 2025	£186,930	48,705	July 2027
Paul Cuff	1 July 2025	Bonus earned above 100% of salary for FY 2025	£186,930	48,705	July 2027
Snehal Shah	1 July 2025	Bonus earned above 100% of salary for FY 2025	£80,836	21,062	July 2027

1 Based on the share price of £3.838 on 30 June 2025.

Outstanding share plan awards (audited)

Details of all outstanding PSP awards made to Executive Directors are set out below:

Director	Share plan	Date of grant	Exercise price	Interests held at 31 March 2025	Interests awarded during the year	Interests vested during the year	Interests lapsed during the year	Interests held at 31 March 2026	Vesting date
Ben Bramhall[1]	PSP	1 July 2022	0.05p	383,948	—	383,948	—	—	July 2025
	PSP	17 July 2023	0.05p	333,200	—	—	—	333,200	July 2026
	PSP	1 July 2024	0.05p	186,657	—	—	—	186,657	July 2027
	PSP	1 July 2025	0.05p	—	170,136	—	—	170,136	July 2028
	DSBP	1 July 2025	0.05p	—	48,705	—	—	48,705	July 2027
Paul Cuff[2]	PSP	1 July 2022	0.05p	383,948	—	383,948	—	—	July 2025
	PSP	17 July 2023	0.05p	333,200	—	—	—	333,200	July 2026
	PSP	1 July 2024	0.05p	186,657	—	—	—	186,657	July 2027
	PSP	1 July 2025	0.05p	—	170,136	—	—	170,136	July 2028
	DSBP	1 July 2025	0.05p	—	48,705	—	—	48,705	July 2027
Snehal Shah[3]	PSP	1 July 2022	0.05p	270,260	—	270,260	—	—	July 2025
	PSP	17 July 2023	0.05p	241,239	—	—	—	241,239	July 2026
	PSP	1 July 2024	0.05p	134,531	—	—	—	134,531	July 2027
	PSP	1 July 2025	0.05p	—	122,623	—	—	122,623	July 2028
	DSBP	1 July 2025	0.05p	—	21,062	—	—	21,062	July 2027

1 On 10 July 2025, Ben Bramhall exercised awards over 383,948 shares granted on 1 July 2022 and sold 181,117 shares to settle resultant tax and social security obligations. The closing share price on the day of exercise was £3.80.

2 On 10 July 2025, Paul Cuff exercised awards over 383,948 shares granted on 1 July 2022 and sold 181,117 shares to settle resultant tax and social security obligations. The closing share price on the day of exercise was £3.80.

3 On 10 July 2025, Snehal Shah exercised awards over 270,260 shares granted on 1 July 2022 and sold 127,488 shares to settle resultant tax and social security obligations. The closing share price on the day of exercise was £3.80.

Vesting outcomes for the FY 2024 PSP awards (granted in July 2023) (unaudited)

These awards comprise nominal cost options with an exercise price of 0.05p per option and vest in 2026. These awards comprised a main award and a one-off additional award.

Vesting of both awards will be based on the measures as summarised in the tables below, with performance measured over a three-year period.

For the main award, there are three performance criteria, with the vesting of 70% of the shares under this award subject to EPS performance, 20% subject to relative total shareholder return and the remaining 10% based on a reduction of the Company's CO_2 emissions.

The details of the target ranges are shown in the table below:

Diluted adjusted EPS for the three-year period to the end of FY 2026	Portion of award vesting
Compound annual growth in EPS (CAG) of less than 5%	0%
CAG of 5%	25%
CAG of between 5% and 10%	Between 25% and 100% on a straight-line basis
CAG of 10% or more	100%
Actual performance[1]: CAG of 24%	100%

1 Measured on a constant tax rate basis, to ensure the outturn is an accurate reflection of operational performance.

The EPS target range was set considering both the internal and external expectations for EPS performance over the next three years.

XPS Group's TSR ranking vs a comparator group[2] of companies	Portion of award vesting
Below median	0%
Median	25%
Between median and upper quartile	Between 25% and 100% on a straight-line basis
Upper quartile	100%
Actual performance: Above upper quartile threshold	100%

2 The TSR comparator group consists of the constituents of the FTSE Small Cap Index (excluding investment trusts) at the start of the performance period.

Annual report on remuneration continued

Vesting outcomes for the FY 2024 PSP awards (granted in July 2023) (unaudited) continued

XPS Group's CO_2 emissions for the three-year period to the end of FY 2026	Portion of award vesting
Below 20% reduction	0%
20% reduction	25%
Between 20% and 30% reduction	Between 25% and 100% on a straight-line basis
30% or more reduction	100%
Actual performance[1]: Above upper threshold	100%

1 The CO_2 emissions are based on Scope 1 and 2 emissions and will be calculated on an emissions per number of employees basis.

For the additional award, vesting is fully based on EPS performance. The details of the EPS target range is shown in the table below:

Diluted adjusted EPS for the three-year period to the end of FY 2026	Portion of award vesting
CAG of 10%	0%
CAG of between 10% and 15%	Between 25% and 100% on a straight-line basis
CAG of 15% or more	100%
Actual performance[1]: CAG of 24%	100%

1 Measured on a constant tax rate basis to ensure the outturn is an accurate reflection of operational performance.

Based on the above the expected percentage of the total award vesting is 100% of maximum. Details of the shares under award and their estimated value (based on the three-month average share price at 31 March 2026 of 321.72p per share) are as follows.

Executive	Maximum number of shares	Number of shares to vest	Number of shares to lapse	Estimated value vesting £[1]
Ben Bramhall	333,200	333,200	—	1,071,971
Paul Cuff	333,200	333,200	—	1,071,971
Snehal Shah	241,239	241,239	—	776,114

1 Based on the three-month average share price to 31 March 2026.

The awards also receive the value of dividend equivalents.

FY 2025 PSP awards (granted in July 2024) (audited)

These awards comprise nominal cost options with an exercise price of 0.05p per option and vest in 2027 with 70% of the shares subject to EPS performance, 20% subject to relative total shareholder return and the remaining 10% based on a reduction of the Company's CO_2 emissions.

The details of the target ranges are shown in the table below:

Diluted adjusted EPS for the three-year period to the end of FY 2027[1]	Portion of award vesting
Compound annual growth in EPS (CAG) of less than 5%	0%
CAG of 5%	25%
CAG of between 5% and 10%	Between 25% and 100% on a straight-line basis
CAG of 10% or more	100%

1 Measured on a constant tax rate basis, to ensure the outturn is an accurate reflection of operational performance.

The EPS target range was set considering both the internal and external expectations for EPS performance over the next three years.

XPS Group's TSR ranking vs a comparator group of companies[2]	Portion of award vesting
Below median	0%
Median	25%
Between median and upper quartile	Between 25% and 100% on a straight-line basis
Upper quartile	100%

2 The TSR comparator group consists of the constituents of the FTSE Small Cap Index (excluding investment trusts) at the start of the performance period.

XPS Group's CO_2 emissions for the three-year period to the end of FY 2027[3]	Portion of award vesting
Below 20% reduction	0%
20% reduction	25%
Between 20% and 30% reduction	Between 25% and 100% on a straight-line basis
30% or more reduction	100%

3 The CO_2 emissions are based on Scope 1 and 2 emissions and will be calculated on an emissions per number of employees basis.

FY 2026 PSP awards (granted in July 2025) (audited)

These awards comprise nominal cost options with an exercise price of 0.05p per option and vest in 2027 with 70% of the shares subject to EPS performance, 20% subject to relative total shareholder return and the remaining 10% based on a reduction of the Company's CO_2 emissions.

The details of the target ranges are shown in the table below:

Diluted adjusted EPS for the three-year period to the end of FY 2028[1]	Portion of award vesting
Compound annual growth in EPS (CAG) of less than 5%	0%
CAG of 5%	25%
CAG of between 5% and 10%	Between 25% and 100% on a straight-line basis
CAG of 10% or more	100%

1 Measured on a constant tax rate basis, to ensure the outturn is an accurate reflection of operational performance.

The EPS target range was set considering both the internal and external expectations for EPS performance over the next three years.

XPS Group's TSR ranking vs a comparator group of companies[2]	Portion of award vesting
Below median	0%
Median	25%
Between median and upper quartile	Between 25% and 100% on a straight-line basis
Upper quartile	100%

2 The TSR comparator group consists of the constituents of the FTSE 250 Index (excluding investment trusts) at the start of the performance period.

XPS Group's CO_2 emissions for the three-year period to the end of FY 2028[3]	Portion of award vesting
Below 20% reduction	0%
20% reduction	25%
Between 20% and 30% reduction	Between 25% and 100% on a straight-line basis
30% or more reduction	100%

3 The CO_2 emissions are based on Scope 1 and 2 emissions and will be calculated on an emissions per number of employees basis.

External Board appointments

The Executive Directors did not hold any external directorships during the year. The approved Directors' Remuneration Policy makes provisions for them to retain any fees for one appointment.

Payments to past Directors (audited)

There were no payments to past Directors in the financial year FY 2026 (FY 2025: £nil).

Payments for loss of office (audited)

No payments were made to any Director in respect of loss of office in the financial year FY 2026 (FY 2025: £nil).

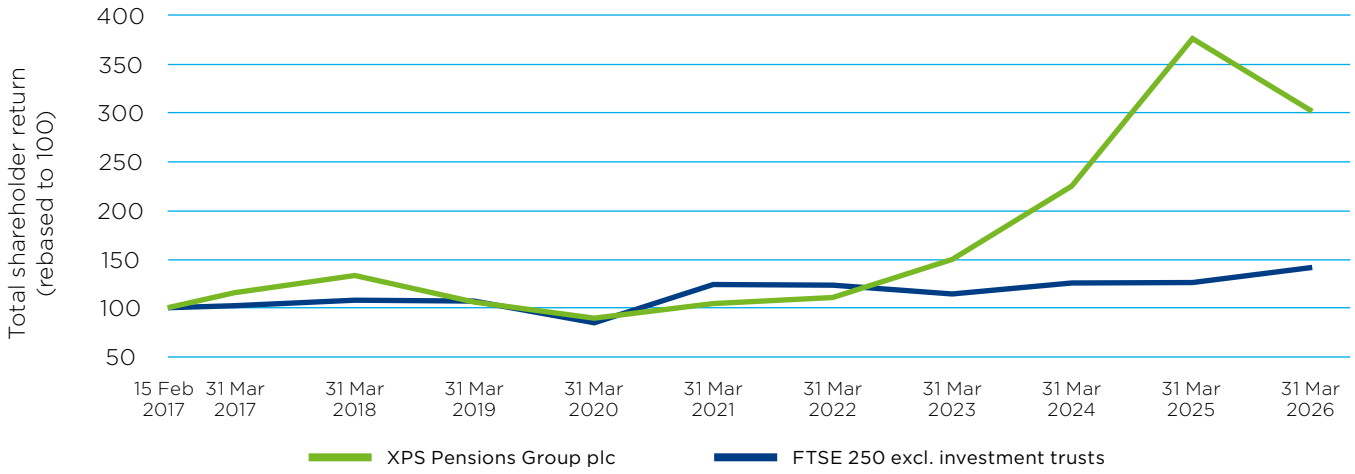
Review of past performance and CEO remuneration table (unaudited)

The graph below shows the TSR of the Company and the FTSE 250 Index (excluding investment trusts) over the period from admission to 31 March 2026. This is considered an appropriate comparator for XPS Group, which was a constituent of the FTSE 250 Index during the year.

Annual report on remuneration continued

Total shareholder return

Source: Datastream (an LSEG product)



CEO remuneration table

The table below shows the Co-CEOs' single total figure of remuneration since admission and the level (as a percentage of maximum award) of payouts under the incentive plans:

		Single total figure of remuneration	Annual bonus payout as % of maximum	Long-term incentive vesting rates as % of maximum
2026	**Ben Bramhall**	**£2,122,434**	**88.3%**	**100%**[1]
	Paul Cuff	**£2,122,234**	**88.3%**	**100%**
2025	Ben Bramhall	£2,526,934	100%	100%
	Paul Cuff	£2,526,734	100%	100%
2024	Ben Bramhall	£2,080,151	100%	100%
	Paul Cuff	£2,079,951	100%	100%
2023	Ben Bramhall	£1,461,611	100%	66%
	Paul Cuff	£1,461,411	100%	66%
2022	Ben Bramhall	£893,195	79%[2]	38%
	Paul Cuff	£892,995	79%	38%
2021	Ben Bramhall	£692,741	68%[3]	21%
	Paul Cuff	£692,541	68%	21%
2020	Ben Bramhall	£569,272	30%[4]	40%
	Paul Cuff	£569,272	30%	40%
2019	Ben Bramhall	£362,803	12%	n/a
	Paul Cuff	£362,803	12%	n/a
2018	Ben Bramhall	£546,138	79%	n/a
	Paul Cuff	£545,724	79%	n/a

1 The vesting rate relates to the July 2023 award that is due to vest in July 2026 and is, in part, based on estimated vesting levels at 31 March 2026.

2 The bonus was reduced with the agreement of the Co-CEOs from the formulaic outcome of 86%.

3 The bonus was reduced with the agreement of the Co-CEOs from the formulaic outcome of 50%.

4 The bonus was reduced with the agreement of the Co-CEOs from the formulaic outcome of 54%.

Percentage change in remuneration of Directors and employees (unaudited)

The table below presents the year on year percentage change in remuneration received by each Director, compared with the change in remuneration received by all XPS Group staff.

The percentage changes are impacted where a Director has been in role for part of a year and for Non-Executive Directors are reflective of changes to individual Committee and other responsibilities, as well as adjustments to fee levels.

	Percentage change in remuneration from 31/03/2021 to 31/03/2022			Percentage change in remuneration from 31/03/2022 to 31/03/2023			Percentage change in remuneration from 31/03/2023 to 31/03/2024			Percentage change in remuneration from 31/03/2024 to 31/03/2025			**Percentage change in remuneration from 31/03/2025 to 31/03/2026**		
	Base salary %	Benefits %	Bonus %	Base salary %	Benefits %	Bonus %	Base salary %	Benefits %	Bonus %	Base salary %	Benefits %	Bonus %	**Base salary %**	**Benefits %**	**Bonus %**
Ben Bramhall	9%	2%	27%	6%	18%	29%	7%	3%	7%	4.5%	2.4%	4.5%	**17%**	**7%**	**3%**
Paul Cuff	9%	2%	27%	6%	18%	29%	7%	3%	7%	4.5%	2.4%	4.5%	**17%**	**7%**	**3%**
Snehal Shah	9%	2%	27%	6%	17%	29%	7%	3%	19%	4.5%	2.4%	4.5%	**17%**	**6%**	**3%**
Alan Bannatyne	—	—	—	34%	—	—	20%	—	—	25%	—	—	**(57%)**	**—**	**—**
Margaret Snowdon OBE	—	—	—	4%	—	—	3%	—	—	(4%)	—	—	**(17%)**	**—**	**—**
Sarah Ing	—	—	—	9%	—	—	6%	—	—	—	—	—	**0%**	**—**	**—**
Aisling Kennedy	—	—	—	—	—	—	860%	—	—	20%	—	—	**4%**	**—**	**—**
Imogen Joss	—	—	—	—	—	—	—	—	—	275%	—	—	**12%**	**—**	**—**
Martin Sutherland	—	—	—	—	—	—	—	—	—	215%	—	—	**86%**	**—**	**—**
April Talintyre	—	—	—	—	—	—	—	—	—	—	—	—	**—**	**—**	**—**
Michelle Cracknell	—	—	—	—	—	—	—	—	—	—	—	—	**—**	**—**	**—**
All UK employees	5.9%	(12%)	14%	10%	6%	46%	8.4%	15%	11%	6.4%	3.2%	5.0%	**6.7%**	**5%**	**15%**

- Alan Bannatyne was appointed as Chair on 30 November 2022, previously Non-Executive Director; accordingly, the percentage difference shown represents a part year of the increased fee (FY 2023) and a full year (FY 2024). He stepped down as a Director on 4 September 2025; accordingly, the percentage difference shown represents a comparison between a full year (FY 2025) and a part year (FY 2026).
- Sarah Ing was appointed as Non-Executive Director on 17 May 2019; accordingly, the percentage difference shown represents a comparison between a full year (FY 2021) and a part year (FY 2020).
- Aisling Kennedy was appointed as Non-Executive Director on 22 February 2023; accordingly, the percentage difference shown represents a comparison between a full year (FY 2024) and a part year (FY 2023).
- Imogen Joss was appointed to the Board on 7 December 2023; accordingly the percentage difference shown represents a comparison between a part year (FY 2024) and a full year (FY 2025).
- Martin Sutherland was appointed to the Board on 7 December 2023; accordingly the percentage difference shown represents a comparison between a part year (FY 2024) and a full year (FY 2025). He was appointed as Chair on 4 September 2025, previously Non-Executive Director; accordingly, the percentage difference shown represents a part year of the increased fee (FY 2025) and a full year (FY 2026).
- Margaret Snowdon OBE stepped down as a Director on 26 March 2026; accordingly, the percentage difference shown represents a comparison between a full year (FY 2025) and a part year (FY 2026).
- April Talintyre and Michelle Cracknell were appointed to the Board on 5 March 2026.

CEO pay (unaudited)

The table below sets out the pay ratios for the Group Co-Chief Executive Officers in relation to the equivalent pay for the lower quartile, median and upper quartile employees (calculated on a full-time basis).

Year	Method		25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2026	**Option A**	**Total pay ratio**	**64:1**	**46:1**	**30:1**
2025	Option A	Total pay ratio	72:1	52:1	35:1
2024	Option A	Total pay ratio	53:1	39:1	25:1
2023	Option A	Total pay ratio	40:1	29:1	21:1
2022	Option A	Total pay ratio	31:1	22:1	15:1
2021	Option A	Total pay ratio	27:1	19:1	13:1
2020	Option A	Total pay ratio	24:1	13:1	11:1

Annual report on remuneration continued

CEO pay (unaudited) continued

Notes

The Company determined the remuneration figures at each quartile with reference to a date of 31 March 2026.

The Group used calculation option A as this is widely regarded as the method resulting in the most robust analysis. The calculation is based on full-time equivalent pay calculated on the same basis as the single figure table.

This year the ratios have decreased compared to the previous year. This decrease reflects the decrease in the Co-CEOs' single figure of remuneration for 2026, which can be found on page 90.

The Committee has reviewed the employee data and believes the median pay ratio to be consistent with the pay, reward and progression policies for the Company's UK employees over the period.

The total pay and benefits and the salary component of total pay and benefits for the employee at each of the 25th percentile, median and 75th percentile are shown below:

	25th percentile	Median	75th percentile
Salary	£29,900	£41,053	£60,454
Total pay and benefits	£33,076	£46,280	£70,610

Relative importance of spend on pay (unaudited)

The table below details the change in total staff pay between FY 2025 and FY 2026 as detailed in note 8 of the financial statements, compared with distributions to shareholders by way of dividends, share buy-backs or any other significant distributions or payments. These figures have been calculated in line with those in the audited financial statements.

£'000	**FY 2026**	FY 2025	% change
Total gross staff pay	**124,881**	110,684	13%
Distributions to shareholders	**25,047**	22,185	13%

Statement of shareholder voting (unaudited)

The table below shows the outcome of the binding vote on the Directors' Remuneration Policy at the General Meeting held on 7 March 2024 and the advisory vote on the FY 2025 Directors' Remuneration Report held on 4 September 2025.

AGM resolution	Votes for	%	Votes against	Votes withheld
Directors' Remuneration Policy	131,060,632	76.44%	40,386,688	4,362,067
Directors' Remuneration Report	172,359,740	97.09%	5,159,329	383,171

Implementation of Policy for FY 2027 (unaudited information)

This section provides an overview of how the Committee is proposing to implement the Remuneration Policy in the year ending 31 March 2027.

Base salary

Base salaries are as follows with effect from 1 April 2026:

- Ben Bramhall – £500,620;
- Paul Cuff – £500,620; and
- Snehal Shah – £414,153.

Benefits in kind

Benefits will be paid in line with the Directors' Remuneration Policy. Details of the benefits received by Executive Directors are set out in the single figure table on page 84. There is no intention to introduce additional benefits in FY 2027.

Pension

Contribution rates are currently 6% of base salary. Contributions may be made as cash supplements in full or in part. These contributions are in line with those for the majority of employees in the Group.

Annual bonus

Bonus maxima of 150% of salary will be applied for the Co-Chief Executive Officers and 125% for the Chief Financial Officer. 30% of any bonus earned will normally be deferred into shares for two years. However, where the shareholding guideline of 200% of salary has been met, the compulsory deferral requirement will be reduced to nil. The performance weightings are as follows: 75% of the bonus will be payable by reference to performance based on adjusted PBT, with performance against personal/strategic targets determining the extent to which the remaining 25% of the overall bonus opportunity is payable.

In addition:

- no bonus will be payable unless the Committee is satisfied that the Company's underlying performance warrants it; and

- as set out in the Policy table, bonus payments will also be subject to the Committee considering that the proposed bonus amounts, calculated by reference to performance against the targets, appropriately reflect the Company's overall performance and shareholders' experience. If the Committee does not believe this to be the case, it may adjust the bonus outturn accordingly.

Owing to the Board's concerns about commercial sensitivity, we do not believe it is in shareholders' interests to disclose any further details of these targets on a prospective basis. However, the Company is committed to adhering to principles of transparency and will, provided disclosure of targets is not deemed to be commercially sensitive, make appropriate and relevant levels of disclosure of bonus targets and performance against these targets for the FY 2027 bonus in next year's report. The targets will be set to ensure both consistency and fairness to all stakeholders.

PSP awards

It is intended that PSP awards will be made in FY 2027. The award levels will be no more than 150% of salary for the Co-CEOs and 125% for the CFO. Vesting of the awards will be based on three performance criteria, with the vesting of 70% of the shares subject to EPS performance, 20% subject to relative total shareholder return and the remaining 10% based on a reduction of the Company's CO_2 emissions.

The details of the target ranges are shown in the table below:

Diluted adjusted EPS[1] for the three-year period to the end of FY 2029	Portion of award vesting
Compound annual growth in EPS (CAG) of less than 5%	0%
CAG of 5%	25%
CAG of between 5% and 10%	Between 25% and 100% on a straight-line basis
CAG of 10% or more	100%

1 Measured on a constant tax rate basis, to ensure the outturn is an accurate reflection of operational performance.

The EPS target range was set considering both the internal and external expectations for EPS performance over the next three years.

XPS Group's TSR ranking vs a comparator group[2] of companies	Portion of award vesting
Below median	0%
Median	25%
Between median and upper quartile	Between 25% and 100% on a straight-line basis
Upper quartile	100%

2 The TSR comparator group consists of the constituents of the FTSE 250 Index (excluding investment trusts) as at the start of the performance period.

XPS Group's CO_2 emissions[3] for the three-year period to the end of FY 2029	Portion of award vesting
Below 20% reduction	0%
20% reduction	25%
Between 20% and 30% reduction	Between 25% and 100% on a straight-line basis
30% or more reduction	100%

3 The CO_2 emissions are based on Scope 1 and 2 emissions and will be calculated on an emissions per number of employees basis.

Minimum shareholding requirement

To align the interests of Executive Directors with those of shareholders, they are required to build and maintain significant holdings of shares in the Group over time. The minimum shareholding requirement for Executive Directors is 200% of base salary for the Co-CEOs and for the CFO.

In addition, Executive Directors will be required to maintain their full minimum shareholding requirement for one year post-cessation of employment and hold 50% of the requirement for a second year.

The Chair's and the Non-Executive Directors' fees

The following fees are effective for FY 2027.

Martin Sutherland receives an annual fee of £215,000 for his role as Board Chair.

The Non-Executive Directors are entitled to a fee of £65,000 p.a., with an additional fee of £15,000 p.a. for the Chair of the Audit & Risk Committee and £10,000 p.a. for each of the Senior Independent Director, Chair of the Remuneration Committee and Chair of the Sustainability Committee. The Designated Employee Engagement Non-Executive Director receives an additional fee of £5,000 p.a.

This report was reviewed and approved by the Board of Directors on 17 June 2026.

Imogen Joss
Chair of the Remuneration Committee
17 June 2026

Directors' report

The Directors present their Annual Report on the activities of XPS Pensions Group plc (the "Group"), together with the audited financial statements for the year ended 31 March 2026.

The Governance section on pages 52 to 98 forms part of this Directors' Report. Other requisite components of this report are set out elsewhere in this Annual Report. The Strategic Report provides information relating to the Group's activities, its business and strategy, the principal risks and uncertainties faced by the business and environmental and employee matters. These sections, together with the Statement of Corporate Governance and Directors' Remuneration Report, provide an overview of the Group and give an indication of future developments in the Group's business, so providing a balanced assessment of the Group's position and prospects. These reports and this Directors' Report have been drawn up and presented in accordance with, and in reliance upon, applicable English company law and any liability of the Directors in connection with such reports shall be subject to the limitations and restrictions provided by such law. XPS Pensions Group plc is a member of the FTSE 250, trading under the ticker symbol XPS.

The table on page 97 details where certain other information, which forms part of the Directors' Report, can be found within this Annual Report.

Going concern

Please refer to the Going Concern Statement in the Strategic Report on page 40 and the Viability Statement on page 51 for details on the assessment carried out by the Directors with regard to going concern.

Results and dividend

The Group's audited financial statements for the year ended 31 March 2026 are set out on pages 108 to 143 and the Company's audited financial statements are set out on pages 144 to 150. The Group's profit after taxation for the year ended 31 March 2026 was £26.6 million (FY 2025: £30.3 million). An interim dividend of 4.1p per ordinary share (FY 2025: 3.7p) was paid on 6 February 2026. The Directors recommend a final dividend for the year of 9.1p per ordinary share (FY 2025: 8.2p) to be paid on 21 September 2026 to shareholders on the register on 21 August 2026.

Further information regarding dividend policy and payments can be found in the Financial Review on page 39 and in note 30 to the financial statements on page 143.

Post-balance sheet events

There have been no significant post-balance sheet events to report since 31 March 2026.

Directors

The current Directors of the Company, with summaries of their key strengths and experience, are set out in the Governance section on pages 54 and 55. Directors on the Board during the year and up to the date of this report are as follows:

Martin Sutherland
Ben Bramhall
Paul Cuff
Snehal Shah
Sarah Ing
Aisling Kennedy
Imogen Joss
April Talintyre (appointed 5 March 2026)
Michelle Cracknell (appointed 5 March 2026)
Margaret Snowdon OBE (resigned 26 March 2026)
Alan Bannatyne (resigned 4 September 2025)

Details of the Directors' service contracts are shown in the report of the Remuneration Committee on page 81.

Details of share options granted to Directors and the interests of the Directors in the ordinary shares of the Company are set out in the Remuneration Report on pages 86 to 89.

In accordance with its Articles of Association, the Company made qualifying third-party indemnity provisions for the benefit of its Directors against any liability that attaches to them in defending proceedings brought against them, to the extent permitted by company law, which were in place throughout the year and remain in force at the date of this report. In addition, Directors' and Officers' liability insurance cover was maintained throughout the year at the Company's expense and remains in force at the date of this report.

Information	Location within Annual Report
Likely future developments in the business of the Company	Strategic Report (pages 1 to 51)
Inclusion and diversity	Sustainability (page 20)
Employee involvement	Sustainability (pages 18 to 21), Co-Chief Executive Officers' Review (pages 12 and 13) and S172 Statement (pages 60 and 61)
Directors' share interests	Directors' Remuneration Report (pages 86 to 89)
Emissions and energy consumption	Strategic Report (pages 27 to 35)
Financial risk management objectives and policies	Note 2 to the financial statements (pages 120 and 121)
Directors' regard to foster business relationships	Strategic Report (pages 60 and 61)

Capital structure

The Company's issued ordinary share capital and total voting rights at 31 March 2026 and the date of this report were 208,355,415 ordinary shares (each with a par value of 0.05p and all fully paid). There were no ordinary shares held in treasury. As at 31 March 2026, 5,430,960 ordinary shares were held in the Employee Benefit Trust, and as at the date of this report, 5,324,999 shares were held in the Employee Benefit Trust. Further details of the Company's issued share capital are given in note 24 of the financial statements on page 138.

The Company's ordinary shares rank pari passu in all respects with each other, including for voting purposes and for all dividends. Each share carries the right to one vote at general meetings of the Company. Further information on the voting and other rights of shareholders, including deadlines for exercising voting rights, is set out in the Company's Articles of Association and in the explanatory notes that accompany the Notice of the Annual General Meeting, which are available on the Company's website at www.xpsgroup.com.

Restrictions on shares

The Company's ordinary shares are freely transferable and there are no restrictions on the size of a holding. Transfers of shares are governed by the provisions of the Articles of Association and prevailing legislation. The ordinary shares are not redeemable; however, the Company may purchase any of the ordinary shares, subject to prevailing legislation and the requirements of the Listing Rules.

The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Awards of shares under the Company's Performance Share Plan incentive arrangement are subject to restrictions on the transfer of shares prior to vesting.

As at the date of this report, the Trustee of the Group's Employee Benefit Trust holds 5,324,999 ordinary shares in the Company but has waived its entitlement to dividends and does not seek to exercise the voting rights on those shares.

Major interests in shares

The table on page 96 shows the interests in shares (whether directly or indirectly held) notified to the Company in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules as at 31 March 2026 and 31 May 2026 (being the latest practicable date prior to publication of this Annual Report).

Appointment and retirement of Directors

The Board may from time to time appoint one or more additional Directors so long as the total number of Directors does not exceed the limit of 12 prescribed in the Articles of Association. Any person so appointed will retire at the next Annual General Meeting and then be eligible for re-election. The UK Corporate Governance Code recommends that all Directors be subject to annual re-election by shareholders. All Directors will offer themselves for re-election at the 2026 Annual General Meeting.

Powers of Directors

The business of the Company shall be managed by the Directors, who may exercise all powers of the Company, subject to legislation, the provisions of the Articles of Association and any directions given by special resolution. The Articles of Association contain specific provisions governing the Company's power to borrow money and also provide the powers to issue shares and to make purchases of its own shares. In accordance with the authorities granted at the 2025 Annual General Meeting, the Directors are authorised, within certain limits, to allot shares or grant rights to subscribe for shares in the Company and to make market purchases of the Company's own shares representing up to 10% of its share capital at that time. Details of the proposed renewal of authorities of the Directors are set out in the Notice of the 2026 Annual General Meeting.

Directors' report continued

Political donations

No political contributions were made, or political expenditure incurred, by the Company and its subsidiaries during the year (FY 2025: £nil).

Provisions on change of control

The Company is subject to a change of control provision in the following significant agreement:

The Company's £120 million agreement with HSBC UK Bank plc, Barclays Bank plc, Lloyds Bank plc, Credit Industrial et Commercial–London Branch and Northern Bank Ltd t/a Danske Bank in multicurrency revolving facilities, with a further uncommitted facility of up to £50 million, includes a customary provision permitting a lending counterparty to (upon notice) cancel its lending commitment to the Group and requires repayment of its related loans following a change of control of the Company.

The Company does not have agreements with any Director or employee that would provide specific compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's Performance Share Plan incentive arrangement may cause awards to vest on a takeover.

Articles of Association

A copy of the full Articles of Association is available on the Company's website. The Company's Articles of Association may only be amended by a special resolution of shareholders in a general meeting.

Auditor and disclosure of information to the auditor

In accordance with Section 418 of the Companies Act 2006, each of the Directors who were members of the Board at the date of the approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Company's auditor, BDO LLP, has expressed its willingness to continue in office and the Board has agreed, based on the recommendation of the Audit & Risk Committee, that a resolution for its reappointment will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

Details of the forthcoming Annual General Meeting are given in the Statement of Corporate Governance on page 59.

	As at 31 March 2026		As at 31 May 2026	
Shareholder	**Number of ordinary shares**	**Percentage of total voting rights**	Number of ordinary shares	Percentage of total voting rights
BlackRock	**24,460,379**	**11.74%**	22,432,729	10.77%
Gresham House Asset Management	**16,619,266**	**7.98%**	16,612,111	7.97%
J.P Morgan Asset Management	**16,298,279**	**7.82%**	16,202,527	7.78%
Aberdeen	**16,141,600**	**7.75%**	16,799,870	8.06%
Mawer Investment Management	**15,731,203**	**7.55%**	15,412,414	7.40%
Montanaro Asset Management	**7,770,000**	**3.73%**	7,755,000	3.72%
BNP Paribas Asset Management	**7,022,079**	**3.37%**	7,117,782	3.42%
Janus Henderson Investors	**6,682,779**	**3.21%**	7,038,373	3.38%

Listing Rule (LR) disclosures

The information required to be disclosed by LR6.6.1R can be found in the following locations:

Item	Location
Interest capitalised	None
Publication of unaudited financial information	Not applicable
Details of long-term incentive schemes	Details of the Company's long-term incentive scheme can be found in the Remuneration Committee Report on pages 77 and 86 to 89
Waiver of emoluments by a Director	None
Waiver of future emoluments by a Director	None
Non-pre-emptive issues of equity for cash	Not applicable
Non-pre-emptive issues of equity for cash in relation to major subsidiary undertakings	Not applicable
Contracts of significance in which a Director is or was interested	None
Provision of services by a controlling shareholder	Not applicable
Shareholder waiver of dividend for the year and future dividends	Dividend waiver by the Trustee of the Group's Employee Benefit Trust – see page 95 of this report
Agreements with controlling shareholder	Not applicable

The Directors' Report was approved by the Board of Directors of XPS Pensions Group plc. By order of the Board:

Snehal Shah

Snehal Shah
Chief Financial Officer
17 June 2026

Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements and have elected to prepare the Company financial statements in accordance with UK-adopted International Financial Reporting Standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Financial Reporting Standards subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' Report, a Strategic Report and a Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of the Directors in respect of the Annual Report and Accounts

As required by the UK Corporate Governance Code, the Directors confirm that they consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. When arriving at this position the Board was assisted by a number of processes, including the following:

- the Annual Report is drafted by appropriate senior management with overall co-ordination by Internal Communications and Company Secretarial teams to ensure consistency across sections;
- an extensive verification process is undertaken to ensure factual accuracy;
- comprehensive reviews of drafts of the Annual Report are undertaken by members of the Executive Board and senior management team; and
- the final draft is reviewed by the Audit & Risk Committee prior to consideration by the Board.

Responsibility statement

The Directors confirm that to the best of their knowledge:

- the Group financial statements, prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company as a whole, together with a description of the principal risks and uncertainties that they face.

Snehal Shah

Snehal Shah
Chief Financial Officer
17 June 2026

Independent auditor's report
to the members of XPS Pensions Group plc

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2026 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the statements of XPS Pensions Group Plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 March 2026 which comprise of the following:

Group	Company
Consolidated Statement of Comprehensive Income	Statement of Financial Position – Company
Consolidated Statement of Financial Position	Statement of Changes in Equity – Company
Consolidated Statement of Changes in Equity	Statement of Cash Flows – Company
Consolidated Statement of Cash Flows	Notes 1 to 14 to the financial statements – Company
Notes 1 to 31 to the consolidated financial statements	
Material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and the Company and we remain independent of the Group and the Company in conducting our audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Company's ability to continue to adopt the going concern basis of accounting included:

- assessing the reasonableness of assumptions in preparation of cash flow forecasts, with consideration of historical performance, review and challenge of revenue growth rate assumptions, impact of geopolitical and macroeconomic factors, and the Group's ability to meet working capital requirements over the going concern period;
- assessing the current period actuals against the prior period forecasts and also assessing the period to May 2026 actuals against current period forecast to determine forecasting ability;
- assessing the Directors' going concern assessment and mathematical accuracy of cash flow forecasts and sensitivity used in respect of the worst case scenario model using our knowledge of the business;
- reviewing the terms and period of the Group's bank facility agreement and consideration of the sufficiency of the facility available throughout the going concern period;
- considering the Group's compliance with banking covenants and related headroom in light of the Directors' worst case scenario modelled;
- considering the options available to the Directors' to mitigate the impact of the worst case scenario and whether such actions are within their control; and
- considering the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure with the forecast and the worst case scenario.

Independent auditor's report continued
to the members of XPS Pensions Group plc

Conclusions relating to going concern continued

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Company's ability to continue as a going concern.

In relation to the Group's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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

Overview

Key audit matters	**2026**	2025
	Revenue recognition: Existence of unbilled revenue (contract asset- accrued income) in the Group's general ledger application given the opportunity for management override in the manual data transfer process between the Group's timesheet recording application and the Group's general ledger application.	**Revenue recognition:** Valuation of contract assets – accrued income.
	The key audit matter from 2025 is no longer considered to be a key audit matter in 2026. The valuation of the year end contract asset is no longer considered a significant risk given the continued accuracy of individual fee earner assessments. In the current year, we identified a fraud risk in revenue recognition given the opportunity for management override in the manual data transfer process between the Group's timesheet recording application and the Group's general ledger application.	
Materiality	Group financial statements materiality as a whole is £2.3m (2025: £1.7m) based on 3% of Group Adjusted EBITDA (2025: 3% of Group EBITDA).	

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

There are 21 entities within the Group including the Company. The nature of the entities in the group is as follows:

- 11 entities are trading entities, including the Company, which have financial impact on the Group's financial statements; and
- 10 entities which are holding and dormant companies which have minimal financial impact on the Group's financial statements.

Based on the nature of the entities within the Group, the revenue generating activities, the relevant IT applications, and the location of the entities, we identified 4 components of the Group, with each entity being assigned to one component.

All trading entities except XPS Pensions Plc (the Company) and XPS SIPP Services Limited generate revenue from Advisory and Administration services. All entities in the Advisory and Administration component also have a consistent control environment and utilise the same IT applications.

XPS SIPP Services Limited is in a separate component as this is in a different geographical location to the rest of the Group and generates revenues from SIP services which is unique to this component.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls;
- procedures on one or more classes of transactions, account balances or disclosures; and
- risk assessment procedures.

An overview of the scope of our audit continued

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following:

Component	Component name	Entities	Group audit scope
1	Company	XPS Pensions Group Plc	Statutory audit and procedures on the entire financial information of the component.
2	Advisory and Administration	• XPS Consulting Limited • XPS Pensions Consulting Limited • XPS Administration Limited • XPS Investment Limited • XPS Pensions Limited • XPS Pensions (RL) Limited • XPS Pensions (Trigon) Limited • Penfida Limited • Polaris Actuaries and Consultants Limited	Procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls.
3	SIP	XPS SIPP Services Limited	Procedures on one or more classes of transactions, account balances or disclosures and risk assessment procedures.
4	Dormant entities and Holding companies	• Xafinity Pension Trustees Limited • Hazell Carr (AT) Services Limited • Hazell Carr (SG) Services Limited • Hazell Carr (ES) Services Limited • Hazell Carr (PN) Services Limited • Hazell Carr (SA) Services Limited • XPS Holdings Limited • XPS Administration Holdings Limited • MJF Pension Trustees Limited • MJF SSAS Trustees Limited	Risk assessment procedures.

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls with a centralised function for the head office and finance team. There is similarity of the group's activities and business lines in relation to all financial statement areas, except revenues earned in the SIP component. We therefore designed and performed procedures centrally for all financial statement areas.

The group operates a centralised IT function that supports IT processes for all components. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

Changes from the prior year

There have been no significant changes to the Group's audit scope from prior year.

There has been a minor change to the current year audit scope to include the Polaris Actuaries and Consultants Limited entity in the Advisory and Administration component given the commonality with all the other entities in this component and its contribution of 12 months of trade to the Group. In FY 2025, this entity was in its own component and the scope included procedures on one or more classes of account balance and risk assessment procedures, whereas this year the scope includes procedures on the entire financial information of the entity.

Independent auditor's report continued
to the members of XPS Pensions Group plc

How climate change affected the scope of our audit

The Group has determined that the climate change does not currently have a material impact on its operations. Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the Annual Report and Accounts; and
- review of the minutes of Board and Audit and Risk Committee meeting and other papers related to climate change and performed a risk assessment as to how the impact of the Group's climate change targets as set out on page 33 may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and targets have been reflected, where appropriate, in the Directors' going concern assessment and Viability Statement.

The management disclosures on pages 16 to 35 form part of the Strategic Report. Our responsibilities in relation to these disclosures are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, 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 were addressed in the context of our audit of the 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		How the scope of our audit addressed the key audit matter
Revenue recognition: Existence of unbilled revenue (contract asset – accrued income) in the Group's general ledger application given the opportunity for management override in the manual data transfer process between the Group's timesheet recording application and the Group's general ledger application. At the year end the Group value of contract assets – accrued income for Advisory and Administration revenue is £24.1 million (2025: £18.9 million) as disclosed in note 17 of the financial statements.	Unbilled revenue for the Group could be subject to manipulation by Management because of the manual interface that occurs when posting the month end contract asset balance valued in the Group's timesheet recording application to the Group's general ledger application. The existence of a manual interface between the two applications provides the opportunity for Management to misstate the month end contract asset balance. This risk is present only in the Advisory and Administration revenue stream, as the timesheet recording application is specific to the Advisory and Administration component. We have determined that the opportunity for management override is present throughout the year through the monthly data transfer between two applications with no specific point during the year where there is an enhanced risk. However, the risk identified crystallises within the population of unbilled revenue recognised as a contract asset within the Group's general ledger application. As a result of the above, and the required IT focus in addressing the significant risk, we consider this to be a key audit matter.	We have performed the following procedures in testing the risk in relation to the transfer of data between the timesheet recording application and the general ledger application: • With the assistance of our BDO Digital experts, we performed a substantive data reconciliation, comparing the value of the project level contract asset recorded in the timesheet recording application and the value recognised in the general ledger application at each month end. The data reconciliation uses a unique identifier to match the transactions in the two applications. The reports have been extracted directly from the applications. Where transactions in time recording system are not matched to a journal in the general ledger, we performed risk assessment procedures to evaluate whether they are within our defined key risk criteria. • We have defined key risk criteria based on our understanding of the revenue process involving the fee earners and the billing team. These risk criteria determine the attributes the usual populations of data in the monthly data transfer process. The substantive data reconciliation identifies any transactions outside of these usual populations. We tested the unusual transactions substantively to third party documentation including engagement letters, communication between the fee earner and the customer, subsequent invoices and cash receipts to assess if the revenue exists and is free from management override. • We evaluated the design and implementation of the relevant IT general controls of the two applications. • We tested the operating effectiveness of IT general controls and automated IT application controls around time recording in the time recording application. • Evaluated the design and implementation of the manual control relating to Management's review of the year end transfer of the contact asset from the time recording application to the Group's general ledger application. **Key observations:** Our audit procedures over the key audit matter did not identify any issues with the existence of unbilled revenue (contract assets – accrued income).

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

	Group financial statements		Company financial statements	
	2026 £m	2025 £m	2026 £m	2025 £m
Materiality	2.3	1.7	1.7	1.3
Basis for determining materiality	3% of Adjusted EBITDA	3% of EBITDA	4% of Company Net Assets capped at 75% of Group Materiality	4% of Company Net Assets capped at 75% of Group Materiality
Rationale for the benchmark applied	In the prior year, EBITDA was the materiality benchmark used, however, given the impact of the Polaris post acquisition remuneration charge (see note 5) on the Group's financial performance in the current year, Adjusted EBITDA is calculated by excluding this remuneration charge, then Adjusted EBITDA reflects the underlying performance of the Group better and is considered to be the most prominent key performance indicator for the Group, which users of these financial statements are most interested in.		The Company as the parent plc with no revenue means that Net Assets are the most appropriate benchmark. The Company materiality was capped at a percentage of Group materiality after an assessment of aggregation risk.	
Performance materiality	1.7	1.3	1.3	1.0
Basis for determining performance materiality	75% of Group Materiality		75% of Company Materiality	
Rationale for the percentage applied for performance materiality	This threshold is are based on our knowledge of the Group and Company, control environment over financial reporting, history of misstatements in previous periods and management's attitude to proposed adjustments. There are few areas of complex estimates in the Group and Company, reflecting a lower level of management judgement across the financial statements.		This threshold is based on our knowledge of the Group and Company, control environment over financial reporting, history of misstatements in previous periods and management's attitude to proposed adjustments.	

Component materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Company whose materiality and performance materiality are set out above, based on a percentage of between 40% and 80% (2025: 12% and 85%) of Group performance materiality dependent on a number of factors including; expected total value of known and likely misstatements, aggregation effect of the planned nature of testing, precision of estimates and our assessment of the risk of material misstatement of those components Component performance materiality ranged from £678,000 to £1,356,000 (2025: £150,000 to £1,100,000).

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £113,000 (2025: £69,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Independent auditor's report continued
to the members of XPS Pensions Group plc

Other information

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

We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules sourcebook requires us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit:

Going concern and longer-term viability	• the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 40; • the Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 51; and • the Directors' statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 51.
Other Code provisions	• the Directors' statement on fair, balanced and understandable set out on page 98; • the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 50; • the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 43 to 50; and • the section describing the work of the Audit and Risk Committee set out on pages 65 to 67.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibility statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and the industry in which it operates;
- discussion with management and those charged with governance; and
- obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be:

- those that relate to the financial reporting framework (UK- adopted international accounting standards);
- UK Listing Rules, Companies Act 2006 and UK Corporate Governance Code; and
- relevant UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, employment laws, consumer protection laws and regulations, and the Financial Conduct Authority regulations, including client money rules.

Our procedures in respect of the above included:

- enquiries of management whether there were any litigations and claims. Where specific claims are recognised, agreeing the valuation of the provision to third party documentation and assessing the likelihood of settlement through considering management's accuracy in the judgements made in historic claims. We also challenged the completeness of provision made against any claims not recognised and completeness of the claims listing notified to the insurer;
- enquiries of the Risk and Compliance team of the Group and the Company;
- review of minutes of meetings of the Board of Directors for any instances of non-compliance with laws and regulations;
- review of correspondences with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation;

Independent auditor's report continued
to the members of XPS Pensions Group plc

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

Non-compliance with laws and regulations continued

- involvement of tax specialists in the audit; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance, including the Audit and Risk Committee regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
  - detecting and responding to the risks of fraud; and
  - internal controls established to mitigate risks related to fraud;
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- performing an assessment of the Group's IT general control environment and as part of this work, we tested the operating effectiveness of IT general controls over the Group's time recording system and IT application level controls within the time recording system.

Based on our risk assessment, we considered the areas most susceptible to fraud to be:

- management override of controls, specifically the risk of management overriding the control environment to overstate adjusted EBITDA, including the posting of adjustments to revenue in the general ledger outside the process of recording the month end contract asset; and
- the existence of unbilled revenue (contract asset – accrued income) in the Group's general ledger application given the opportunity for management override in the manual data transfer process between the timesheet recording application and the Group's general ledger application.

Our procedures in respect of the above included:

- tested journal entries throughout the year which met defined risk criteria, together with an additional sample of journals that fell outside of this risk threshold, by agreeing to supporting documentation. We checked if the transactions were bona fide business transactions;
- assessing significant estimates and judgements made by management for bias on an aggregate basis in the Group financial statements; and
- in response to the fraud risk identified in the existence of unbilled revenue (contract asset – accrued income), procedures performed are set out in the 'Key Audit Matters' section of this report.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Other matters which we are required to address

Following the recommendation of the Audit and Risk Committee, we were appointed by the Members on 27 February 2013 to audit the financial statements for the year ended 31 March 2014 and subsequent financial periods, noting the listing of the Company in the year ended 31 March 2017. Our total uninterrupted period of engagement including competitive retenders and reappointments is 13 years, covering the years ended 31 March 2014 to 31 March 2026.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

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

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R – 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

DocuSigned by:
Tim Neathercoat
4DBAD10598DC44F...

Tim Neathercoat (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
17 June 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

for the year ended 31 March 2026

	Note	Year ended 31 March 2026 Trading items £'000	Non-trading and exceptional items[1] £'000	Total £'000	Year ended 31 March 2025 Trading items £'000	Non-trading and exceptional items[1] £'000	Total £'000
Revenue	6	**262,659**	**—**	**262,659**	231,785	—	231,785
Other operating (expense)/income	5	**—**	**(110)**	**(110)**	—	988	988
Operating expenses	7	**(193,992)**	**(25,327)**	**(219,319)**	(168,888)	(19,703)	(188,591)
Profit/(loss) from operating activities		**68,667**	**(25,437)**	**43,230**	62,897	(18,715)	44,182
Finance income	11	**91**	**—**	**91**	109	—	109
Finance costs	11	**(4,607)**	**—**	**(4,607)**	(3,541)	—	(3,541)
Profit/(loss) before tax		**64,151**	**(25,437)**	**38,714**	59,465	(18,715)	40,750
Income tax (expense)/credit	12	**(16,214)**	**4,058**	**(12,156)**	(14,353)	3,946	(10,407)
Profit/(loss) after tax and total comprehensive income/(loss) for the year		**47,937**	**(21,379)**	**26,558**	45,112	(14,769)	30,343

		Pence		Pence	Pence		Pence
Earnings per share attributable to the ordinary equity holders of the Company:		**Adjusted**			Adjusted		
Profit or loss:							
Basic earnings per share	28	**23.5**	**—**	**13.0**	21.9	—	14.7
Diluted earnings per share	28	**22.3**	**—**	**12.4**	20.6	—	13.8

	Note	Trading items £'000	Non-trading and exceptional items[1] £'000	Total £'000	Trading items £'000	Non-trading and exceptional items[1] £'000	Total £'000
Memo							
EBITDA		**75,662**	**(15,966)**	**59,696**	69,676	(11,666)	58,010
Depreciation and amortisation	13, 14, 15	**(6,995)**	**(9,471)**	**(16,466)**	(6,779)	(7,049)	(13,828)
Profit/(loss) from operating activities		**68,667**	**(25,437)**	**43,230**	62,897	(18,715)	44,182

1 See note 5 for additional information regarding non-trading and exceptional items.

The notes on pages 112 to 143 form part of these financial statements.

Consolidated statement of financial position

as at 31 March 2026

	Note	31 March 2026 £'000	31 March 2025 £'000
Assets			
Non-current assets			
Property, plant and equipment	13	**5,889**	5,278
Right-of-use assets	14	**14,373**	13,835
Intangible assets	15	**218,247**	222,998
Other long-term receivables	16	**2,985**	5,971
		241,494	248,082
Current assets			
Trade and other receivables	17	**70,432**	60,683
Current income tax asset		**714**	—
Cash and cash equivalents	18	**16,848**	14,717
		87,994	75,400
Total assets		**329,488**	323,482
Liabilities			
Non-current liabilities			
Loans and borrowings	19	**62,251**	54,021
Lease liabilities	14	**12,473**	12,038
Provisions	21	**2,717**	2,903
Trade and other payables	23	**5,488**	670
Deferred tax liabilities	22	**17,070**	16,138
		99,999	85,770
Current liabilities			
Lease liabilities	14	**3,353**	2,915
Provisions	21	**3,728**	2,700
Trade and other payables	23	**47,561**	46,456
Current income tax liabilities		**—**	234
		54,642	52,305
Total liabilities		**154,641**	138,075
Net assets		**174,847**	185,407
Equity			
Equity attributable to owners of the Parent			
Share capital	24	**104**	104
Share premium	25	**1,786**	1,786
Merger relief reserve	25	**48,687**	48,687
Investment in own shares held in trust	25	**(18,233)**	(15,142)
Retained earnings	25	**142,503**	149,972
Total equity		**174,847**	185,407

The notes on pages 112 to 143 form part of these financial statements.

The financial statements were approved by the Board of Directors on 17 June 2026 and were signed on its behalf by:

Snehal Shah

Snehal Shah
Chief Financial Officer
17 June 2026

Registered number: 08279139

Consolidated statement of changes in equity

for the year ended 31 March 2026

	Share capital £'000	Share premium £'000	Merger relief reserve £'000	Investment in own shares £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2024	104	1,786	48,687	(2,925)	138,202	185,854
Profit after tax and total comprehensive income for the year	—	—	—	—	30,343	30,343
Contributions by and distributions to owners:						
Dividends paid (note 30)	—	—	—	—	(22,185)	(22,185)
Dividend equivalents paid on vested share options	—	—	—	—	(591)	(591)
Shares purchased by Employee Benefit Trust for cash	—	—	—	(18,715)	—	(18,715)
Exercise of share options settled from the Employee Benefit Trust for cash	—	—	—	6,498	(5,630)	868
Share-based payment expense – IFRS 2 charge (note 10)	—	—	—	—	5,946	5,946
Deferred tax movement in respect of share-based payment expense (note 22)	—	—	—	—	2,366	2,366
Current tax movement in respect of share-based payment expense	—	—	—	—	1,521	1,521
Total contributions by and distributions to owners	—	—	—	(12,217)	(18,573)	(30,790)
Balance at 31 March 2025	104	1,786	48,687	(15,142)	149,972	185,407
Balance at 1 April 2025	104	1,786	48,687	(15,142)	149,972	185,407
Profit after tax and total comprehensive income for the year	—	—	—	—	26,558	26,558
Contributions by and distributions to owners:						
Dividends paid (note 30)	—	—	—	—	(25,047)	(25,047)
Dividend equivalents paid on vested share options	—	—	—	—	(883)	(883)
Shares purchased by Employee Benefit Trust for cash	—	—	—	(20,914)	—	(20,914)
Exercise of share options settled from the Employee Benefit Trust for cash	—	—	—	17,823	(15,548)	2,275
Share-based payment expense – IFRS 2 charge (note 10)	—	—	—	—	7,478	7,478
Deferred tax movement in respect of share-based payment expense (note 22)	—	—	—	—	(2,999)	(2,999)
Current tax movement in respect of share-based payment expense	—	—	—	—	2,972	2,972
Total contributions by and distributions to owners	—	—	—	(3,091)	(34,027)	(37,118)
Balance at 31 March 2026	**104**	**1,786**	**48,687**	**(18,233)**	**142,503**	**174,847**

The notes on pages 112 to 143 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2026

	Note	**Year ended 31 March 2026 £'000**	Year ended 31 March 2025 £'000
Cash flows from operating activities			
Profit for the year		**26,558**	30,343
Adjustments for:			
Depreciation	13	**1,234**	1,034
Depreciation of right-of-use assets	14	**2,986**	2,962
Amortisation	15	**12,246**	9,832
Finance income	11	**(91)**	(109)
Finance costs	11	**4,607**	3,541
Gain on acquisition of business	5	**—**	(988)
Fair value loss on consideration paid	5	**110**	—
Share-based payment expense	10	**7,025**	5,946
Income tax expense	12	**12,156**	10,407
		66,831	62,968
Increase in trade and other receivables		**(6,763)**	(13,509)
Increase in trade and other payables		**5,713**	2,060
Increase in provisions		**405**	1,449
		66,186	52,968
Income tax paid		**(10,970)**	(11,152)
Net cash inflow from operating activities		**55,216**	41,816
Cash flows from investing activities			
Finance income received	11	**91**	109
Acquisition of subsidiary, net of cash acquired		**—**	(13,774)
Purchases of property, plant and equipment	13	**(2,149)**	(2,101)
Purchases of intangibles	15	**(7,827)**	(6,089)
Net cash outflow from investing activities		**(9,885)**	(21,855)
Cash flows from financing activities			
Proceeds from existing loans		**18,000**	39,333
Repayment of loans		**(10,000)**	(9,000)
Payment relating to extension of loan facility		**—**	(332)
Proceeds from the exercise of share options settled by EBT shares		**2,275**	868
Purchase of own shares by EBT		**(20,914)**	(18,715)
Interest paid		**(3,710)**	(2,312)
Lease interest paid		**(666)**	(318)
Payment of lease liabilities		**(2,255)**	(1,997)
Dividends paid to the holders of the Parent	30	**(25,047)**	(22,185)
Dividend equivalents paid on vesting of share options		**(883)**	(591)
Net cash outflow from financing activities		**(43,200)**	(15,249)
Net increase in cash and cash equivalents		**2,131**	4,712
Cash and cash equivalents at start of year		**14,717**	10,005
Cash and cash equivalents at end of year	18	**16,848**	14,717

The notes on pages 112 to 143 form part of these financial statements.

Notes to the consolidated financial statements

for the year ended 31 March 2026

1 Accounting policies

XPS Pensions Group plc (the "Company") is a public limited company incorporated in the UK. The principal activity of the Group is consulting and administration services relating to UK pension schemes and insurers. The registered office is Phoenix House, 1 Station Hill, Reading RG1 1NB. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

Basis of preparation

These consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards. The consolidated financial statements have been prepared under the going concern basis.

The preparation of financial statements in accordance with the requirements of International Financial Reporting Standards (IFRS) requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this section.

The material accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

Functional and presentation currency

The financial statements are presented in British pounds which is the Company's functional currency. Figures are rounded to the nearest thousand.

Measurement convention

The financial information is prepared on the historical cost basis.

Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee; exposure to variable returns from the investee; and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any elements of control.

The consolidated financial information presents the results of the Company and its subsidiaries (the "Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial information incorporates the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date, with the exception of right-of-use assets and lease liabilities, which are measured at the present value of the lease liability discounted at the acquisition date incremental borrowing rate (a rate that represents the amount that would be charged to acquire an asset of similar value for a similar period), with an adjustment to right-of-use assets to reflect favourable/non-favourable lease terms. The results of the acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. For items acquired as part of a business combination, cost comprises the deemed fair value of those items at the date of acquisition. Depreciation on those items is charged over their estimated remaining useful lives from that date.

Depreciation is charged to profit and loss in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Estimated useful lives are as follows:

- Office equipment — 3 to 10 years
- Leasehold improvements — Over the remaining life of the lease
- Fixtures and fittings — 3 to 10 years

Going concern

IFRS Accounting Standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors have taken notice of the Financial Reporting Council guidance, "Guidance on the going concern basis of accounting and reporting on solvency and liquidity risks", which requires the reasons for this decision to be explained.

Management has prepared cash flow forecasts up to 31 October 2027, which the Directors have approved. This is defined as the going concern review period, and includes the 12-month period from the date of approval of these financial statements. This period has been chosen as October is the lowest point in the Group's working capital and cash cycle. These forecasts show that during the going concern review period the Group is expected to generate sufficient cash from its operations to settle its liabilities as they fall due without the requirement for additional borrowings. Inflationary increases have been modelled using the OBR inflation forecasts for that period, and interest rate changes have been included in the forecasts based on latest market projections.

1 Accounting policies continued

Going concern continued

The Group's banking facility at the balance sheet date is in place until March 2029 and gives the Group access to a revolving credit facility of £120 million with an accordion of £50 million. The facility is subject to two covenants – net leverage and interest cover.

These covenants were not breached during the financial year, nor are any breaches forecast in the going concern review period. The Group does not have any non-financial covenants. At 31 March 2026, the Group had £16.8 million of cash in the bank, and £57.0 million of undrawn non-accordion revolving credit facility. In May 2026, the revolving credit facility was extended for a further year, and so will be in place until March 2030.

Management has also performed some scenario modelling to further assess the going concern assumption of the Group over the going concern period. Firstly, management has modelled a scenario which threatens the going concern position, considering the soonest of the point at which the banking covenants are breached or the Group requiring additional funding. In this worst case scenario, revenue is modelled to decrease significantly, partially offset with a reduction in staff bonuses. The headroom between this scenario and current performance, and the budget, is significant and a decrease of this magnitude is considered to be extremely unlikely. In addition, the Group has several additional cost reduction and cash preservation levers it could utilise, which include managing staff costs through a hiring freeze or reduction in workforce, a reduction in capital expenditure, and a reduction of dividends if this worst case scenario was to happen. Another scenario modelled was a reasonable downside scenario, where no growth is experienced in revenues not related to compliance. The result of this reasonable downside scenario was that even with no actions to reduce costs in line with the revenue decrease, the Group remained profitable and complied comfortably with its banking covenants. This reasonable downside scenario is considered to be very unlikely, as historically the Group has always performed discretionary work for its customers.

In terms of the wider macroeconomic and financial situation, management is monitoring events with Russia and Ukraine, as well as the current situation in the Middle East as the latest conflict in particular could trigger further price increases with the potential for related interest rate increases. The Group is not directly impacted by the US tariff fluctuations, but will be indirectly impacted to a limited extent by the impact on the wider economy. The Group does have protection for any increases in the inflation rate built into customer contracts, which stipulate that the price charged can be increased by an inflationary amount. Pricing on indexation-linked contracts continues to be reviewed and uplifted accordingly within the timeframes allowed in each contract. Projected interest rate changes have been modelled in the Group's forecasts and any fluctuations in interest expense are not considered a significant risk. The Group also monitors other macro events both UK centric and globally to assess the potential impact on its trading environment, and management has concluded that there is nothing that would have a material impact in terms of going concern for the Group.

The Directors have reviewed the historical accuracy of the Group's budgets. The Group's performance was compared to the budget, and actual revenue was in line with the forecast figure, and adjusted EBITDA was slightly ahead of the forecast figure. This demonstrates that the Group's forecasting process is at a sufficient standard to be able to place reliance on it when making a going concern assessment. The results of the two months post year end are in line with forecasts.

The Directors, after reviewing the Group's budget and longer-term forecast models, including the worst case scenario referred to above, conclude that the Group has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

Intangible assets and goodwill

Goodwill represents amounts arising on acquisition, being the difference between the cost of the acquisition and the net fair value of the identifiable assets and liabilities acquired on a business combination. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a gain on purchase. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purposes of impairment testing and is not amortised. It is tested annually for impairment.

Externally acquired intangible assets are stated at cost less accumulated amortisation and impairment losses.

Acquired software is valued based on replacement cost valuations where identifiable or at cost less accumulated amortisation and impairment. Internally produced software is valued at cost less accumulated amortisation and impairment.

Customer relationships are valued based on the net present value of the excess earnings generated by the revenue streams over their estimated useful lives.

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

1 Accounting policies continued

Intangible assets and goodwill continued

Amortisation is included in operating expenses in the statement of comprehensive income over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life, such as goodwill, are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. Estimated useful lives are as follows:

- Goodwill — Indefinite life
- Customer relationships — 7 to 20 years, straight-line method
- Brands — 10 years, straight-line method
- Software — 5 to 10 years, straight-line method

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready for use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Amortised cost

Amortised cost includes non-derivative financial assets where they are held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows and those contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. These assets are included in non-current assets if their maturity is greater than 12 months. Trade receivables are stated initially at fair value then measured at amortised cost less provisions for impairment. The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to year end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. Any impairment required is recorded in the statement of comprehensive income.

Cash and cash equivalents comprise cash balances.

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

The Group does not currently have any liabilities which fall into this category.

Other financial liabilities

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis. When borrowings are extinguished, any difference between the cash paid and the carrying value is recognised in the statement of comprehensive income.

Trade payables and other short-term monetary liabilities represent liabilities for goods and services received by the Group prior to the end of the financial year which are unpaid. The amounts within trade payables are unsecured. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

1 Accounting policies continued

Provisions

The Group has provisions for the following items:

- dilapidations provisions relate to the estimated cost to put leased premises back to the required condition expected under the terms of the lease. These include provisions for required dilapidations along with provisions where leasehold improvements have been made that would require reinstatement back to the original status on exit. These are uncertain in timing as leases may be terminated early or extended. To the extent that exits of premises are expected within 12 months of the end of the year they are shown as current;
- professional indemnity provisions relate to complaints against the Group. The amount provided is based on management's best estimate of the likely liability. These are recognised as a gross amount, with any amounts covered by insurance recognised as an asset within current assets, in line with IAS 37; and
- social security costs provisions represent estimates of the Group's National Insurance contributions liability on the cost of the Group's Performance Share Plans, Deferred Share Bonus Plans and Senior Equity Plans.

Employee Benefit Trust (EBT)

As the Group is deemed to have control of its EBT, it has been aggregated within the accounts of XPS Pensions Group plc, and therefore consolidated for the purposes of the consolidated financial statements. The EBT's investment in the Group's shares is deducted from equity in the consolidated statement of financial position as if it were treasury shares. Consideration paid (or received) for the purchase (or sale) of these shares is recognised directly in equity. The cost of shares held is presented as a separate reserve (the "investment in own shares"). As the shares are typically used to satisfy vested share options, the difference between the option cost and the weighted average cost of the shares is charged to retained earnings.

Revenue

Revenue, which excludes value added tax, represents the value of employee benefit consultancy and related business services supplied. Revenue is derived mainly from sales made in the United Kingdom. Revenue derived from outside the United Kingdom is immaterial.

Amounts recognised as revenue but not yet billed are reflected in the consolidated statement of financial position as contract assets. This is work where there is no unconditional right to receive the cash, but work has been performed in line with performance obligations. Amounts billed in advance of work performed are recognised as deferred income and presented in the statement of financial position as contract liabilities.

Performance obligations and timing of revenue recognition

Performance obligations in contracts with customers are typically satisfied as services are rendered. Where work performed in a period has not yet been billed, the value of this will be included in contract assets – accrued income at the period end. In most cases, revenue is recognised on an over time basis. Performance obligations are satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance. This reflects that work performed creates value for the customer as services are delivered, and the Group has an enforceable right to payment for performance completed to date, including compensation for work performed if the contract is terminated. Invoices are in most cases raised monthly, based on timesheet data for advisory services. For administration services, invoices are typically raised monthly based on services provided. Payment is typically due 30 days from date of invoice. Additionally, the Group has a SSAS and SIPP business which provides services to small self-administered pension schemes and self-invested pensions plans. The Group also receives income on corporate and customer bank deposits within the SSAS and SIPP business based on a rate linked to the Bank of England base rate.

The Group has a number of customers who are on a fixed price contract. This contract covers a number of services (advisory and administration), most of which are ongoing and therefore require no revenue recognition adjustment to the regular invoice issued to the customer. These are recognised monthly at the time of billing, as the benefit the customer receives as the work is done is largely in line with the amount billed each month.

For some fixed price customers, an element of the fixed fee includes the triennial valuation of their defined benefit pension schemes, which is a distinct performance obligation. Under IFRS 15, the Group has assessed these contracts and has determined that an adjustment is needed to recognise the revenue for the performance obligation relating to the triennial valuations in the specific periods that the work is undertaken.

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

1 Accounting policies continued

Revenue continued

Determining the transaction price and allocating amounts to performance obligations

For the contracts where an adjustment is required, the Group has identified the element of the fixed fee that is attributable to the triennial valuation. This has been calculated based on the expected time required to perform these obligations for each specific customer. To ensure that the revenue is allocated to the relevant period, the Group has determined the timespan for the triennial valuation work, and the separate stages of this work. A percentage has been applied to each stage, based on the proportion of total effort.

Judgement is required for these contracts in determining the value attributable to the triennial valuation work, and also to the stage of completion at each reporting period. The judgements made are based on experience, and have been validated by comparison to timesheet data to measure work performed over the three-year contract window.

The remainder of revenue from fixed fee contracts is recognised on a monthly basis, as the services provided tend to be evenly spread over the life of the contract.

Services provided under contracts which do not include a fixed fee are recognised at a price quoted within the contract which typically varies depending on the level of seniority of the employee providing the service. Commission income is recognised on renewal of scheme membership, as the performance obligations are met at the time the contract is won or renewed with the insurer.

There are no significant judgements relating to revenue recognition for the SIP business.

Alternative performance measures (APMs)

The Group presents APMs within its Annual Report and Accounts; these APMs are not defined under the requirements of IFRS. These include those that are visible from the consolidated statement of comprehensive income and the following key APMs: adjusted EBITDA, adjusted EBITDA margin, adjusted diluted earnings per share, and cash conversion. Management believes that the presentation of these APMs provides stakeholders with additional information on the underlying performance of the business, as well as aiding comparability between reporting periods by adjusting for factors which affect IFRS performance measures. These APMs are not a substitute for or superior to IFRS measures. The Group's APMs are defined, explained and reconciled to the nearest statutory measure within the Chief Financial Officer's Review.

Exceptional and non-trading items

To assist in understanding its underlying performance, the Group has defined the following items of pre-tax income and expense as exceptional or non-trading as they either reflect items which are exceptional in nature or size or are associated with the amortisation of acquired intangibles. Items treated as non-trading or exceptional include:

- profits or losses on disposal of assets or businesses, which are considered to be non-trading in nature as these do not reflect the underlying performance of the Group. These transactions tend to be material in value, and the timing can be uncertain. The impact on the financial statements can be significant and can distort certain key performance indicators, such as basic EPS;
- corporate transaction and restructuring costs are considered to be exceptional in nature as these can be material and are not a reflection of the underlying performance of the Group. The timing of these costs can vary and amounts can differ significantly year on year, which can have a distortive impact on the statutory measures of performance;
- amortisation of customer-related intangibles acquired as part of a business combination is considered to be non-trading as this is a material cost linked to non-trading activity, which does not reflect the underlying performance of the Group, and users of the accounts expect to be able to assess the profitability and growth of the Group excluding this figure. Additionally this is a significant non-cash cost;
- changes in the fair value of contingent consideration – these movements do not reflect underlying trade and the timing of these items can be significantly different from the date of the original transaction to which they relate. They do not reflect the underlying performance of the Group as a whole;
- expenses deemed as acquisition-related remuneration under IFRS 3 are considered to be exceptional in nature. Without the link to continuing employment, these costs would have been treated as consideration and are material;
- share-based payments, which are considered a non-trading cost as the IFRS 2 charge is a significant non-cash cost, and along with the related National Insurance is excluded from the results for the purposes of measuring performance for PSP awards and also dividend amounts. Additionally, the large non-cash-related credits go directly to equity and so have a limited impact on the reserves of the Group; and
- the related tax effect of these items.

1 Accounting policies continued

Exceptional and non-trading items continued

Any other non-recurring items are considered individually for classification as non-trading or exceptional by virtue of their nature or size.

The separate disclosure of these items allows a clearer understanding of the trading performance on a consistent and comparable basis, together with an understanding of the effect of non-recurring or large individual transactions upon the overall profitability of the Group.

The non-trading and exceptional items have been included within the appropriate classifications in the consolidated income statement. Further details are given in note 5.

Leases and payments

Identifying leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) there is an identified asset;

(b) the Group obtains substantially all the economic benefits from use of the asset; and

(c) the Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are predetermined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low-value assets; and
- leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the lessee company's incremental borrowing rate on commencement of the lease is used. Other variable lease payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations – see note 21).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the Group revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is also revised when the variable element of future lease payments dependent on a rate or index is revised; however, this will use the original discount rate. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

1 Accounting policies continued

Leases and payments continued

Identifying leases continued

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights of use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiated lease increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

When the Group revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement.

Where the lease liability changes due to change in lease term (for example, due to utilisation of an extension option) a new discount rate is used. This rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the Group's incremental borrowing rate at the date of reassessment if the interest rate implicit in the lease cannot be readily determined. The same rate is used for changes in index rates.

Share-based payment costs – Performance Share Plan, Deferred Share Bonus Plan and Senior Equity Plan

Share-based payment costs as referred to throughout these financial statements are a long-term employee benefit. The Group operates equity-settled, share-based compensation plans, under which the entity receives services from the Executive Directors and certain senior employees in consideration for equity instruments of the Group. The fair value of the services received in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the awards granted:

- including any market performance conditions (for example, an entity's share price); and
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability and remaining a Director for a specified period of time).

The Senior Equity Plans (SEPs) do not have any market performance conditions or non-market performance vesting conditions; they only have service vesting conditions. The fair value for SEPs is the share price on the date of grant.

The total amount expensed to the Group is recognised over the vesting period of the award. Where a share award is cancelled, the share-based payment charge is accelerated at that point in time and all remaining unvested charge is immediately expensed to the Group.

Where a share award includes dividend equivalents, these are included within the IFRS 2 charge described above. The Group may settle these via cash or shares.

1 Accounting policies continued

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit and loss in the statement of comprehensive income except to the extent that it relates to items recognised in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Changes in accounting policies – new standards, interpretations, and amendments effective from 1 April 2025

New and amended standards and interpretations issued by the IASB that apply for the first time in these annual financial statements do not impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies. These include:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the "Amendments"). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the consolidated financial statements of the Group.

The following illustrative examples have been issued during 2025 with no effective date:

- Illustrative examples on reporting uncertainties in financial statements.

On 28 November 2025, the IASB issued Disclosures about Uncertainties in the Financial Statements – Illustrative Examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to IFRS Accounting Standards and do not have an effective date. The IASB had issued a near-final staff draft of the illustrative examples in July 2025. The Group has considered these illustrative examples in its preparation of the consolidated financial statements and no additional disclosures or changes in presentation were considered necessary.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards, and interpretations are not effective for 2026, and therefore have not been applied in preparing XPS Group's financial statements. They are not expected to have a material impact on the Group's consolidated financial statements. These include the following amendments effective for the year beginning 1 April 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7); and
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).

The amendments clarify that a financial liability is derecognised on the "settlement date" and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income.

Management has considered these amendments and concluded that they will not have a material impact on the Group's consolidated financial statements. The Group currently derecognises financial liabilities settled using electronic payment systems on the settlement date, and so no amendments to the current policy are required.

The following standards and amendments are effective for the annual reporting period beginning 1 April 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Group is currently assessing the impact of these new accounting standards and amendments.

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

1 Accounting policies continued

New standards and interpretations not yet adopted continued

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024, supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of comprehensive income, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year are not expected to have any other material impacts on the Group's financial statements.

Critical accounting estimates and judgements

The Group makes certain estimates and assumptions within the course of business. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. In the future, actual experience may differ from these estimates and assumptions. Significant judgements are separately identified where applicable. The Directors have reviewed the accounting estimates and judgements made, and have determined that there are no critical estimates in the year, but there are two critical judgements, relating to the valuation of the Polaris acquisition-related remuneration accrual, and also the valuation of contract assets – accrued income within the unbilled element of advisory and administration services.

Acquisition-related remuneration (note 5)

A payment of up to £35.0 million is payable in the year ending March 2029 relating to the acquisition of Polaris Actuaries and Consultants Limited in February 2025. See note 6 to the March 2025 accounts for further details relating to this transaction. Because the £35.0 million includes a clause linked to continuing employment, under IFRS 3 this amount is not treated as consideration but instead is treated as a post-acquisition remuneration accrual. The amount paid is contingent on achieving certain stretching business performance criteria, as well as the continuing service condition already referred to. Judgements have been applied by management when assessing the expected figure to be paid at the end of the three years.

Contract assets – accrued income (note 17)

Management will make a judgement as to whether a project is in an accrued or deferred position at the end of each month/reporting period. This judgement is based on the time recorded against each client project versus the amount billed, as well as other factors including expected recoverability levels based on past experience, the nature of the work undertaken, and to what extent the performance obligations have been met, all in line with IFRS 15.

2 Financial risk management

The Group's operations expose it to a variety of financial risks including credit risk, liquidity risk, market risk and the effects of changes in interest rates on debt. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs.

The Group's principal financial instruments comprise sterling cash, lease liabilities and bank loans together with trade receivables and trade payables that arise directly from its operations.

Risk management policies are established for the XPS Group of companies and the Group Audit & Risk Committee oversees how management monitors compliance with these policies and procedures and reviews the adequacy of the Risk Management Framework in relation to the risks faced by the Group. Further details relating to the current year position are provided in note 26.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty, including brokers, to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Due to the nature of the business, the majority of the trade receivables are with trustees of pension schemes and large institutions and losses have occurred infrequently over previous years.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that the Group will have sufficient liquidity to meet its liabilities when due, within the going concern period, under both the normal and worst case scenario modelled. Cash flow forecasts are updated daily and reviewed regularly by management. Trade debtor balances are managed to ensure debtors are kept to terms as much as is possible, and management ensures sufficient cash is available to meet expected cash outflows. The Group has significant headroom within its current revolving credit facility.

2 Financial risk management continued

Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of its financial instruments. Market risk comprises three elements – interest rate risks, foreign exchange risks and pricing risks.

Interest rate risks are discussed in the cash flow interest rate risk below. The Group is exposed to movements in interest rate in its net finance costs and also in a small element of its operating revenue. Loans and borrowings are based on a rate linked to SONIA. The Group earns income in relation to client deposits as well as interest income on its own deposits.

The Group's financial instruments are currently in sterling; hence, foreign exchange movements do not have a material effect on the Group's performance.

Pricing risks are considered to be low – an element of resetting fees regularly includes an inflation measure, but as this is contractual it does not present a significant risk to the Group.

The Group does not hold its own position in trading securities, being involved only in advising clients on transactions that they undertake.

The Group does not engage in holding speculative financial instruments or derivatives. Further quantitative disclosures are included in note 26.

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk in two main respects: firstly, corporate and client bank deposits, which earn interest at a variable rate, although not at a material level; and secondly, interest expense arising on the revolving credit facility at a margin over SONIA.

3 Capital risk management

The Group is focused on delivering value for its shareholders whilst ensuring that it is able to continue effectively as a going concern. Value adding opportunities to grow the business are continually assessed, although strict and careful criteria are applied.

The policy for managing capital is to increase shareholder value by maximising profits and cash. Budgets and forecasts are set in the short and medium term that the Group feels are achievable. The processes for managing capital are regular reviews of financial data to ensure that the Group is tracking the targets set and to reforecast as necessary based on the most up-to-date information. This then contributes to the Group's forecast which ensures future covenant test points are met. The Group continues to meet these test points and they have been achieved over the last year.

Due to the nature of some of the services provided, two subsidiaries within the Group were regulated by the Financial Conduct Authority (FCA) during the year. They are required to hold a minimum level of capital and this is monitored on a monthly basis. Formal compliance returns are submitted to the FCA in line with their reporting requirements. The Group was compliant with its capital requirements throughout the year.

4 Auditor's remuneration

During the period the following services were obtained from the Group's auditor at a cost detailed below:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Audit services		
Fees payable in respect of the Group and Company financial statements	**394**	412
Fees payable in respect of the subsidiary accounts	**166**	174
	560	586
Audit-related services	**44**	42
Other assurance services	**13**	13
Total	**617**	641

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

5 Non-trading and exceptional items

	Note	Year ended 31 March 2026 Total before tax £'000	Tax on adjusting items[5] £'000	Adjusting items after taxation £'000	Year ended 31 March 2025 Total before tax £'000	Tax on adjusting items[5] £'000	Adjusting items after taxation £'000
Corporate transaction costs		—	—	—	(1,810)	—	(1,810)
Acquisition-related remuneration[1]		(7,875)	—	(7,875)	(2,080)	—	(2,080)
Gain on purchase[2]		—	—	—	988	—	988
Fair value loss on consideration[2]		(110)	—	(110)	—	—	—
Exceptional items		(7,985)	—	(7,985)	(2,902)	—	(2,902)
Share-based payment costs[3]	10	(7,981)	1,690	(6,291)	(8,764)	2,184	(6,580)
Amortisation of acquired intangibles[4]	15	(9,471)	2,368	(7,103)	(7,049)	1,762	(5,287)
Non-trading items		(17,452)	4,058	(13,394)	(15,813)	3,946	(11,867)
Total		(25,437)	4,058	(21,379)	(18,715)	3,946	(14,769)

1 Acquisition-related remuneration of £7,875,000 (2025: £919,000) relates to the acquisition of Polaris in February 2025. As continued employment is one condition of the share purchase agreement, then in accordance with IFRS 3, the entire additional amount must be treated as a post-transaction employment cost accruing over the deferment period (to March 2028). This additional amount is material in size and one-off in nature. As such, in line with the Group's accounting policies, it has been classified as exceptional items. The prior year also included £1,161,000 relating to contingent amounts owed to the vendor as acquisition-related remuneration in respect of the acquisition of Penfida Limited in September 2022. The entire Penfida contingent acquisition-related remuneration of £3,500,000 was paid in October 2024. These costs are disclosed separately to aid visibility of underlying performance. The timing of these costs can also vary and are normally not aligned with the related benefits of the transaction.

2 A gain on purchase of £988,000 relating to the acquisition of Polaris Actuaries and Consultants was recognised in the prior year. During the year to 31 March 2026, adjustments were made to the acquisition balance sheet, which has resulted in a £110,000 fair value loss on consideration. These items are exceptional in nature, as management does not consider they reflect the performance of the Group, and so they are presented as exceptional items.

3 Share-based payment expenses and related National Insurance are included in non-trading and exceptional costs as the IFRS 2 charge is a significant non-cash cost, and these costs are excluded from the results for the purposes of measuring performance for PSP awards and dividend amounts. Additionally, the largely non-cash-related credits go directly to equity and so have a limited impact on the reserves of the Group. They are therefore shown as a non-trading item to give clarity to users of the accounts on the profit figures that dividends and PSP performance are based on.

4 During the year the Group incurred £9,471,000 of amortisation charges in relation to acquired intangible assets (customer-related intangibles acquired as part of a business combination) (2025: £7,049,000). As this figure is material, and is linked to non-trading activity, management excludes this cost when reviewing and reporting on the underlying performance of the Group. Similarly, users of the accounts expect to be able to assess the profitability and growth of the Group excluding this figure.

5 The tax credit on exceptional and non-trading items of £4,058,000 (2025: £3,946,000) represents 16% (2025: 21%) of the exceptional and non-trading items incurred of £25,437,000 (2025: £18,715,000). This is different to the expected tax credit of 25% (2025: 25%), as various adjustments are made to tax including for deferred tax, and the exclusion of amounts not allowable for tax.

6 Operating segments

In accordance with IFRS 8 Operating Segments, an operating segment is defined as a business activity whose operating results are reviewed by the chief operating decision-maker (CODM) and for which discrete information is available. The Group's CODM is the Board of Directors.

The Group has one operating segment, and one reporting segment due to the nature of services provided across the whole business being the same: consulting and administration services to UK pension schemes and insurance companies. The Group's revenues, costs, assets, liabilities and cash flows are therefore totally attributable to this reporting segment. The table below shows the disaggregation of the Group's revenue, by product line.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Advisory	150,043	125,551
Administration	98,732	93,654
SIP[1]	13,884	12,580
Total	262,659	231,785

1 Self Invested Pensions (SIP) business, incorporating both SIPP and SSAS products.

The prior year has been restated, Advisory was previously presented as Actuarial and Consulting (£106,108,000), and Investment Consulting (£19,443,000). The work undertaken in these revenue streams has become increasingly similar, with the same pool of employees working across both areas. Management review the Advisory business as a whole, and so this change provides users of the financial statements with a more useful view of the performance of the business, aligned with how management monitor performance.

7 Operating expenses

Included in the operating profit for the year are the following:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Expenses by nature		
Staff costs (note 8)	**162,000**	138,367
Depreciation and amortisation	**16,466**	13,828
Short-term and low-value lease costs	**136**	240
Premises costs (excluding rent accounted for under IFRS 16 Leases)	**3,667**	3,398
Professional fees	**8,564**	7,603
IT costs	**14,837**	14,964
Exceptional items excluding acquisition-related remuneration (note 5)	**110**	822
Contractor and other direct expenses	**5,991**	536
Other general business costs	**7,658**	7,845
Total	**219,429**	187,603

8 Staff numbers and costs

The average number of people employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Year ended 31 March 2026 Number of employees	Year ended 31 March 2025 Number of employees
Operational	**1,873**	1,711
Administration	**158**	148
Sales and marketing	**29**	28
Total	**2,060**	1,887

The aggregate payroll costs of these persons were as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Wages and salaries	**122,447**	108,865
Social security contributions	**15,193**	11,555
Defined contribution pension cost	**6,070**	5,284
Other long-term employee benefits	**2,434**	1,819
Acquisition-related remuneration (note 5)	**7,875**	2,080
Share-based payment costs (note 10)	**7,981**	8,764
Total	**162,000**	138,367

The numbers above include remuneration and pension entitlements for each director. Details are included in the Directors' Remuneration Report on pages 70-93.

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

9 Employee benefits

Defined contribution plan

The Company operates a defined contribution pension plan. Outstanding contributions at the year end were £nil (2025: £nil).

10 Share-based payment costs

The Group operates a number of equity-settled share-based remuneration schemes for employees: Performance Share Plans (PSP) and Deferred Share Bonus Plans (DSBP) for Executive Directors and other key senior personnel, and Senior Equity Plans (SEP). All employees are also eligible to participate in the Save as You Earn (SAYE) scheme, the only vesting condition being that the individual remains an employee of the Group over the savings period.

The Executive PSP award expense relates to annual awards over shares that vest subject to certain stretching performance conditions, measured over a three-year period. Maximum "normal" grant level is 150% of salary, capped at a maximum of 200% in exceptional circumstances. Malus and clawback provisions apply. The fair value of awards granted during the year was determined using certain assumptions around vesting. More information about the Executive PSP can be found in the Remuneration Report section of this Annual Report.

The DSBP award expense relates to an element of the Executive Directors bonus paid in shares, subject to a two-year vesting period. The fair value of awards under this scheme was determined using the share price on the date of grant, and the value of the bonus determines the number of share options that will be granted.

The Staff PSP award expense relates to annual awards over shares that vest subject to certain performance conditions, measured over a three-year period.

The only vesting criterion for the SEP is a service criterion. The fair value of awards under this scheme was determined using the share price on the date of grant.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
PSP awards, SEP awards, DBSP awards and SAYE scheme	**7,025**	5,946
Social security cost on PSP awards, SEP awards and DSBP awards (note 21)	**956**	2,818
Total share-based payments	**7,981**	8,764

10 Share-based payment costs continued

The fair value of Executive PSP options granted during the period was calculated using different methods for different elements – the Black-Scholes method for the EPS and ESG elements, the Stochastic method for the TSR element, and the Chaffe method for the holding period. There is no change in the valuation methodology since the prior year. The inputs to the model were as follows:

	Year ended 31 March 2026				Year ended 31 March 2025			
	70% earnings per share (EPS)	**10% environmental, social & governance (ESG)**	**20% relative total shareholder return (TSR)**	**Two-year holding period**	70% earnings per share (EPS)	10% environmental, social & governance (ESG)	20% relative total shareholder return (TSR)	Two-year holding period
Weighted average exercise price of options issued during the period (pence)	**0.05**	**0.05**	**0.05**	**0.05**	0.05	0.05	0.05	0.05
Expected volatility (%)	**n/a**	**n/a**	**32.95%**	**31.93%**	n/a	n/a	33.92%	33.68%
Expected life beyond vesting date (years)	**3**	**3**	**3**	**2**	3	3	3	2
Risk-free rate (%)	**n/a**	**n/a**	**3.81%**	**3.94%**	n/a	n/a	4.44%	4.26%
Dividend yield (%)	**—**	**—**	**—**	**—**	—	—	—	—

For the TSR element, the volatility is calculated over the period of time commensurate with the remainder of the performance period immediately prior to the date of grant. For the holding period, this is calculated over the period commensurate with the holding period immediately prior to the date of grant.

The risk-free rate is calculated using the rate of interest obtainable from government securities (i.e. gilts in the UK) over a period commensurate with the expected term. For the holding period the risk-free rate is the rate obtained over a term equal to the vesting period plus the holding period.

No Staff PSP options were granted during the year. The fair value of Staff PSP options granted during the prior year was calculated using the Monte Carlo valuation method. The inputs to the model were as follows:

	Year ended 31 March 2025
Weighted average exercise price of options issued during the period (pence)	0.05
Dividend yield (%)	—

No SAYE options were granted during the year. The fair value of SAYE options granted during the prior year was calculated using the Black-Scholes valuation method. The inputs to the model were as follows:

	Year ended 31 March 2025
Weighted average exercise price of options issued during the period (pence)	240.0
Expected volatility (%)	33.56%
Expected life beyond vesting date (years)	3.35
Risk-free rate (%)	4.22%
Dividend yield (%)	3.13%

The volatility assumption has been calculated over the period of time commensurate with the expected award term immediately prior to the date of grant.

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

10 Share-based payment costs continued

As at 31 March 2026, in respect of the Group's ordinary shares of 0.05p each, 1,878,380 Executive PSP options had been granted and remained outstanding, at an exercise price of 0.05p per share, 118,472 Executive DSBP options had been granted and remained outstanding, at an exercise price of £nil per share, 365,633 Staff PSP options had been granted and remained outstanding, at an exercise price of 0.05p per share, 5,503,298 Staff SEP options had been granted and remained outstanding, at an exercise price of 0.05p per share, and 1,149,360 SAYE options had been granted and remained outstanding, at an exercise price of 240p per share. The table below includes dividend equivalent shares on the PSP, DSBP and SEP option figures where applicable.

		2026		2025	
		Weighted average exercise price (pence)	**Number**	Weighted average exercise price (pence)	Number
Executive PSP	Outstanding at 1 April	**0.05**	**2,564,053**	0.05	3,015,959
	Granted during the year	**0.05**	**483,725**	0.05	530,699
	Exercised during the year	**0.05**	**(1,038,156)**	0.05	(940,463)
	Cancelled during the year	**0.05**	**(46,715)**	0.05	(42,142)
	Outstanding at 31 March	**0.05**	**1,962,907**	0.05	2,564,053
DSBP	Outstanding at 1 April	**—**	**—**	—	—
	Granted during the year	**—**	**123,803**	—	—
	Outstanding at 31 March	**—**	**123,803**	—	—
Staff PSP	Outstanding at 1 April	**0.05**	**393,699**	0.05	184,907
	Granted during the year	**—**	**—**	0.05	355,593
	Exercised during the year	**0.05**	**(11,466)**	0.05	(141,836)
	Cancelled during the year	**0.05**	**(400)**	0.05	(4,965)
	Outstanding at 31 March	**0.05**	**381,833**	0.05	393,699
Staff SEP	Outstanding at 1 April	**0.05**	**6,313,960**	0.05	6,858,417
	Granted during the year	**0.05**	**1,582,708**	0.05	1,282,634
	Forfeited during the year	**0.05**	**(17,993)**	0.05	(71,309)
	Exercised during the year	**0.05**	**(2,033,130)**	0.05	(1,681,626)
	Cancelled during the year	**0.05**	**(94,931)**	0.05	(74,156)
	Outstanding at 31 March	**0.05**	**5,750,614**	0.05	6,313,960
SAYE	Outstanding at 1 April	**157.67**	**3,424,853**	111.17	3,050,366
	Granted during the year	**—**	**—**	240.00	1,263,240
	Forfeited during the year	**204.16**	**(60,194)**	121.08	(73,058)
	Exercised during the year	**104.25**	**(2,181,699)**	110.86	(781,171)
	Lapsed during the year	**—**	**—**	111.00	(9,469)
	Cancelled during the year	**240.00**	**(33,600)**	230.61	(25,055)
	Outstanding at 31 March	**240.00**	**1,149,360**	157.67	3,424,853

The exercise price of options outstanding at 31 March 2026 ranged between £nil in the case of the DSBP and £2.400 in the case of the SAYE scheme (2025: £0.0005 to £2.400). Their weighted average contractual life was 3 years (2025: 3 years), and their weighted average exercise price was £0.31 (2025: £0.43).

Across all schemes, of the total number of options outstanding at 31 March 2026, 25,353 Staff PSP and 348,192 Staff SEP (2025: 36,816 Staff PSP, 165,082 Staff SEP, and 8,108 SAYE) had vested and were exercisable.

The weighted average fair value of each option granted during the year was £3.67 (2025: £2.20). The weighted average exercise price for exercisable options at 31 March 2026 was 0.05p per share for both the PSP and SEP options (2025: 0.05p per share for the PSP and SEP options, and 111.00p per share for the SAYE options). The weighted average share price at the date of exercise for share options exercised during the year was £3.62 (2025: £3.08).

11 Finance income and expense

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Interest income on bank deposits	**91**	109
Finance income	**91**	109
Interest expense on bank loans	**3,555**	2,052
Other costs of borrowing	**268**	742
Interest on leases	**706**	634
Other finance expense	**78**	113
Finance expenses	**4,607**	3,541

12 Income tax expense

Recognised in the statement of comprehensive income

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Current tax expense		
Current year	**14,522**	13,275
Adjustment in respect of prior year	**(299)**	(1,154)
Total current tax expense	**14,223**	12,121
Deferred tax credit		
Origination and reversal of temporary differences	**(2,596)**	(2,234)
Adjustment in respect of prior year	**529**	520
Total income tax expense	**12,156**	10,407

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Profit for the year	**26,558**	30,343
Total tax expense	**12,156**	10,407
Profit before income tax	**38,714**	40,750
Tax using the UK corporation tax rate of 25% (2025: 25%)	**9,679**	10,188
Non-deductible expenses	**2,427**	1,189
Other operating income not taxable	**—**	(247)
Fixed asset permanent differences	**(180)**	(89)
Adjustment in respect of prior periods	**230**	(634)
Total tax expense	**12,156**	10,407

The standard rate of corporation tax in the UK was 25% (2025: 25%). The average effective tax rate was 31% (2025: 26%). This is higher than the standard rate due to the impact of costs not allowable for tax. Deferred tax assets and liabilities have been measured at the rate they are expected to unwind at, using a rate substantively enacted at 31 March 2026, which is 25% (2025: 25%). Deferred tax not recognised relates to £6.7 million (2025: £6.7 million) of finance expense losses in a prior year and their future recoverability is uncertain. At 31 March 2026 the total unrecognised deferred tax asset in respect of these losses was approximately £1.7 million (2025: £1.7 million).

£2,972,000 (2025: £1,521,000) of current year tax credit and £2,999,000 (2025: £2,366,000) of deferred tax debit was recognised directly in equity; this relates to employee share options accounted for under IFRS 2.

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

13 Property, plant and equipment

	Leasehold improvements £'000	Office equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
Balance at 1 April 2025	5,071	2,330	756	8,157
Additions	1,330	450	65	1,845
Disposals	—	(370)	(14)	(384)
Balance at 31 March 2026	**6,401**	**2,410**	**807**	**9,618**
Accumulated depreciation				
Balance at 1 April 2025	1,547	976	356	2,879
Depreciation charge for the year	656	470	108	1,234
Disposals	—	(370)	(14)	(384)
Balance at 31 March 2026	**2,203**	**1,076**	**450**	**3,729**
Net book value				
Balance at 1 April 2025	3,524	1,354	400	5,278
Balance at 31 March 2026	**4,198**	**1,334**	**357**	**5,889**

	Leasehold improvements £'000	Office equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
Balance at 1 April 2024	4,456	2,080	906	7,442
Additions	1,704	568	64	2,336
Disposals	(1,089)	(318)	(214)	(1,621)
Balance at 31 March 2025	5,071	2,330	756	8,157
Accumulated depreciation				
Balance at 1 April 2024	2,141	846	479	3,466
Depreciation charge for the year	495	448	91	1,034
Disposals	(1,089)	(318)	(214)	(1,621)
Balance at 31 March 2025	1,547	976	356	2,879
Net book value				
Balance at 1 April 2024	2,315	1,234	427	3,976
Balance at 31 March 2025	3,524	1,354	400	5,278

14 Leases

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in the UK. In some instances the rent is reviewed and may be reset periodically to market rental rates. In other cases the periodic rent is fixed over the lease term. The Group also leases electric vehicles on behalf of employees, who reimburse the Company for the cost. Leases of electric vehicles comprise only fixed payments over the lease terms. The proportions of lease payments that are either fixed or variable have been assessed and management concluded that the carrying value of lease liabilities and right-of-use assets is not sensitive to an uplift of 5% on the balance sheet date on lease payments that are variable.

The Group sometimes negotiates break clauses in its property leases. On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk. Typically factors considered in deciding to negotiate a break clause include:

- the length of the lease term; and
- whether the location represents a new area of operations for the Group.

At 31 March 2026 and 31 March 2025, the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising break clauses because on both dates it was considered reasonably certain that the Group would not exercise its right to break the lease. Total undiscounted lease payments of £8,164,211 (2025: £8,162,566) are potentially avoidable were the Group to exercise break clauses at the earliest opportunity.

Right-of-use assets	Land and buildings £'000	Electric vehicles £'000	Total £'000
At 1 April 2025	13,484	351	13,835
Additions	3,358	445	3,803
Depreciation	(2,761)	(225)	(2,986)
Effect of modification to lease terms	(31)	14	(17)
Disposal of lease	(256)	(6)	(262)
At 31 March 2026	**13,794**	**579**	**14,373**

Right-of-use assets	Land and buildings £'000	Electric vehicles £'000	Total £'000
At 1 April 2024	8,538	354	8,892
Additions	7,608	188	7,796
Depreciation	(2,810)	(152)	(2,962)
Effect of modification to lease terms	148	2	150
Disposal of lease	—	(41)	(41)
At 31 March 2025	13,484	351	13,835

Lease liabilities	Land and buildings £'000	Electric vehicles £'000	Total £'000
At 1 April 2025	14,591	362	14,953
Additions	2,922	445	3,367
Interest expense	679	27	706
Effect of modification to lease term	(31)	14	(17)
Disposal	(256)	(6)	(262)
Lease payments	(2,700)	(221)	(2,921)
At 31 March 2026	**15,205**	**621**	**15,826**

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

14 Leases continued

Nature of leasing activities (in the capacity as lessee) continued

Lease liabilities	Land and buildings £'000	Electric vehicles £'000	Total £'000
At 1 April 2024	8,806	361	9,167
Additions	7,312	188	7,500
Interest expense	614	20	634
Effect of modification to lease term	6	2	8
Disposal	—	(41)	(41)
Lease payments	(2,147)	(168)	(2,315)
At 31 March 2025	14,591	362	14,953

	31 March 2026 £'000	31 March 2025 £'000
Short-term lease expense	**136**	225
Low-value lease expense	**—**	15
Aggregate expense for short-term leases	**136**	240

The maturity of the lease liabilities is as follows:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Up to 3 months	**1,192**	841
Between 3 and 12 months	**2,161**	2,074
Between 1 and 2 years	**2,371**	2,642
Between 2 and 5 years	**5,161**	4,902
More than 5 years	**4,941**	4,494
	15,826	14,953

The cash flows above are discounted and reconcile back to the lease liability. For the undiscounted cash flows, please see note 26.

15 Intangible assets

	Goodwill £'000	Customer relationships £'000	Brands £'000	Software £'000	Total £'000
Cost					
Balance at 1 April 2025	125,296	148,984	295	23,157	297,732
Additions	—	—	—	7,495	7,495
Disposals	—	—	—	(350)	(350)
Balance at 31 March 2026	**125,296**	**148,984**	**295**	**30,302**	**304,877**
Accumulated amortisation					
Balance at 1 April 2025	—	69,141	295	5,298	74,734
Amortisation for the year	—	9,471	—	2,775	12,246
Disposals	—	—	—	(350)	(350)
Balance at 31 March 2026	**—**	**78,612**	**295**	**7,723**	**86,630**
Net book value					
Balance at 1 April 2025	125,296	79,843	—	17,859	222,998
Balance at 31 March 2026	**125,296**	**70,372**	**—**	**22,579**	**218,247**

	Goodwill £'000	Customer relationships £'000	Brands £'000	Software £'000	Total £'000
Cost					
Balance at 1 April 2024	125,296	130,484	295	18,619	274,694
Acquired through business combinations	—	18,500	—	—	18,500
Additions	—	—	—	6,260	6,260
Disposals	—	—	—	(1,722)	(1,722)
Balance at 31 March 2025	125,296	148,984	295	23,157	297,732
Accumulated amortisation					
Balance at 1 April 2024	—	62,092	295	4,237	66,624
Amortisation for the year	—	7,049	—	2,783	9,832
Disposals	—	—	—	(1,722)	(1,722)
Balance at 31 March 2025	—	69,141	295	5,298	74,734
Net book value					
Balance at 1 April 2024	125,296	68,392	—	14,382	208,070
Balance at 31 March 2025	125,296	79,843	—	17,859	222,998

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

15 Intangible assets continued

Material customer relationship assets are broken down as follows:

	31 March 2026		31 March 2025	
	Remaining UEL years	**Net book value £'000**	Remaining UEL years	Net book value £'000
Acquisitions prior to January 2018 (CGU 1)	**7**	**11,590**	8	13,261
Acquisitions prior to January 2018 (CGU 2)	**7**	**843**	8	969
Punter Southall actuarial (CGU 1)	**12**	**32,573**	13	35,338
Punter Southall administrative (CGU 1)	**2**	**1,743**	3	2,721
Kier (CGU 1)	**3**	**802**	4	1,113
XPS Pensions RL Limited (CGU 1)	**4**	**964**	5	1,269
XPS Pensions Trigon Limited (CGU 1)	**4**	**772**	5	987
Michael J Field (CGU 2)	**6**	**1,146**	7	1,342
Penfida Limited (CGU 1)	**17**	**4,302**	18	4,563
Polaris Actuaries and Consultants (CGU 1)	**6**	**15,637**	7	18,280

Software assets held by the Group comprise internally generated or enhanced software for use in providing services to customers. The largest group of software assets relates to the Administration business, specifically the development of an in-house administration system. Software disposals in the year related to software which has reached the end of its useful economic life and is no longer in use. All software additions in both the current and prior years relate to internally generated or enhanced software. Of the closing software net book value, £18,704,000 (2025: £14,449,000) relates to internally generated software, and £3,875,000 (2025: £3,410,000) relates to software acquired to be internally enhanced.

Impairment test

Goodwill represents the excess of the consideration over the fair value of the net assets acquired on the purchase of the subsidiary companies listed in note 29, as well as goodwill which has arisen on the purchase of trade and assets by the Group. In accordance with IFRS, this balance is not amortised and is subject to annual impairment reviews.

The carrying value of goodwill was assessed based on the two cash-generating units:

- CGU 1 – Advisory and Administration; and
- CGU 2 – SIP.

The CGUs at each year end were assessed on the basis of value in use using the following assumptions, which reflect past experience of the Group:

	2026		2025	
	CGU 1	**CGU 2**	CGU 1	CGU 2
Discount rate pre-tax	**12.0%**	**12.0%**	12.0%	12.0%
Terminal rate after period 8	**2.0%**	**2.0%**	2.0%	2.0%
Period on which detailed forecasts are based	**3 years**	**3 years**	3 years	3 years
Growth rate during detailed forecast period (average)	**7.5%**	**12.6%**	12.1%	20.2%
Growth rate applied beyond approved forecast period to year 8	**5%**	**5%**	5%	5%

The discount rate comprises two elements, the cost of debt and the cost of equity, to derive a blended cost of capital demanded by all providers of capital. The cost of equity is based on the following components:

- beta: calculated to estimate how volatile the Group's equity is compared to a peer group;
- risk-free rate: using a ten-year UK government bond yield as a proxy for the risk-free rate; and
- equity risk premium: the implied rate as at 31 March 2026 is used to assess the price of risk in equity markets.

The cost of debt represents the cost of capital for the Group's drawn revolving credit facility and is based on average borrowings during the year.

15 Intangible assets continued

Impairment test continued

The cash flows used for the value in use calculations incorporate the impact of inflation, and future assumptions regarding inflation which are based on the latest outlook from the UK government.

The growth rate beyond the forecast period is based on a blend of average growth rates experienced by the Group and management's assessment of industry and macroeconomic outlooks. Such forecast rates have been accurate in the past, so the Directors believe they will be sufficiently representative of actual results.

The growth rate is applied up to eight years; this is due to the longevity of the customer relationships held by the Group. The growth rate of 5% is higher than the terminal rate due to expectations of market conditions and higher inflation in the medium term.

The impairment exercise demonstrated that there was significant headroom in both CGUs on this basis, and so the Directors are satisfied that no impairment has arisen during the financial period.

Goodwill allocated to cash-generating units:	**2026 £'000**	2025 £'000
Goodwill – CGU 1:	**121,258**	121,258
Goodwill – CGU 2:	**4,038**	4,038
Total	**125,296**	125,296

Sensitivity analysis of assumptions

The Group performed further sensitivity analysis by recalculating the fair value of the net assets of the Group on a "worst case" basis. For the Group, the worst case would be breaching the banking covenants on leverage, as that could lead to the Group's revolving credit facility being withdrawn. The size of the impact on revenue to reach this point was considered, alongside mitigating factors that the Group would take if necessary. This analysis showed that this potential worst case scenario is considered unlikely to materialise, and so there was no requirement for impairment. The Group has also assessed the sensitivity of the discount rate and growth rates used in the impairment testing, and determined that these were not sensitive.

16 Other long-term receivables

	31 March 2026 £'000	31 March 2025 £'000
Prepayments	**2,985**	5,971

The prepayment amount represents the non-current element of the cash paid to the previous owners of Polaris Actuaries and Consultants Limited, who are now employees of XPS Group. This amount is subject to a clawback clause and so will be amortised over the clawback period of three years to March 2028.

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

17 Trade and other receivables

	31 March 2026 £'000	31 March 2025 £'000
Trade receivables	**33,589**	30,206
Less: provision for impairment of trade receivables	**(576)**	(539)
Net trade receivables	**33,013**	29,667
Contract assets – accrued income	**25,133**	19,875
Contract assets – amounts recognised for triennial reviews	**1,289**	1,278
Total contract assets	**26,422**	21,153
Total financial assets other than cash and cash equivalents carried at amortised cost	**59,435**	50,820
Prepayments	**10,537**	9,664
Other receivables	**460**	199
Total trade and other receivables	**70,432**	60,683

The carrying value of trade and other receivables carried at amortised cost approximates to fair value.

31 March 2026	Current	Past due 0–30 days	Past due 31–90 days	Past due more than 90 days	Total £'000
Expected loss rate	**0%**	**0%**	**2%**	**11%**	
Gross carrying amount	**25,699**	**5,311**	**1,971**	**608**	**33,589**
Loss provision	**37**	**22**	**30**	**64**	**153**
Amendment for specific bad debt provision	**(37)**	**(22)**	**(30)**	**512**	**423**
Total	**—**	**—**	**—**	**576**	**576**

31 March 2025	Current	Past due 0–30 days	Past due 31–90 days	Past due more than 90 days	Total £'000
Expected loss rate	0%	1%	4%	12%	
Gross carrying amount	23,743	3,932	1,805	726	30,206
Loss provision	71	32	66	86	255
Amendment for specific bad debt provision	(71)	(32)	(66)	453	284
Total	—	—	—	539	539

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information affecting the Group's customers.

Once the IFRS 9 approach has been calculated, the Group then calculates a specific debt provision based on age of debt and specific client knowledge. The provision is then adjusted to take this detail into account.

Of the March 2025 contract asset balance relating to triennial reviews of £1,278,000, £1,013,000 was billed in the year, reducing the brought forward amount. A further £1,024,000 of revenue was recognised in the year. There are no other significant movements in the contract assets balance in the year. The March 2026 contract asset balance is expected to be billed in the year ending 31 March 2027 (£1,046,000), the year ending 31 March 2028 (£235,000), and the year ending 31 March 2029 (£8,000).

Prepayments include an asset of £3.0 million (2025: £3.0 million) in respect of the current portion of the clawback provision on the Polaris prepaid consideration. This receivable is amortised over the clawback period of three years to March 2028.

At the year end, the value of contract assets – accrued income for Advisory and Administration revenue was £24.1 million (2025: £18.9 million).

18 Cash and cash equivalents

	31 March 2026 £'000	31 March 2025 £'000
Cash and cash equivalents per statement of financial position	**16,848**	14,717
Cash and cash equivalents per statement of cash flows	**16,848**	14,717

The balance is comprised solely of cash at bank and on hand.

19 Loans and borrowings

31 March 2026	**Due within 1 year (current) £'000**	**Due between 1 and 2 years £'000**	**Due after 2 years £'000**	**Sub-total (non-current) £'000**	**Total £'000**
Drawn revolving credit facility	**—**	**—**	**63,000**	**63,000**	**63,000**
Capitalised debt arrangement fees	**—**	**—**	**(749)**	**(749)**	**(749)**
Total	**—**	**—**	**62,251**	**62,251**	**62,251**

31 March 2025	Due within 1 year (current) £'000	Due between 1 and 2 years £'000	Due after 2 years £'000	Sub-total (non-current) £'000	Total £'000
Drawn revolving credit facility	—	—	55,000	55,000	55,000
Capitalised debt arrangement fees	—	—	(979)	(979)	(979)
Total	—	—	54,021	54,021	54,021

The book value and fair value of loans and borrowings are not materially different.

Terms and debt repayment schedule

31 March 2026	**Amount £'000**	**Currency**	**Nominal interest rate**	**Year of maturity**
Revolving credit facility	**63,000**	**GBP**	**1.20% above SONIA**	**2029**

31 March 2025	Amount £'000	Currency	Nominal interest rate	Year of maturity
Revolving credit facility	55,000	GBP	1.20% above SONIA	2029

At 31 March 2026 the Group had drawn down £63,000,000 (2025: £55,000,000) of its revolving credit facility. The Group's revolving facility agreement is for £120 million with an accordion of £50 million. This facility has a four year term which started in March 2025. Interest is calculated at a margin above SONIA, subject to a net leverage test. The related fees for access to the facility are included in the consolidated statement of comprehensive income. In May 2026 the loan term was extended for a further year, so it will now mature in March 2030.

Capitalised loan-related costs are amortised over the life of the loan to which they relate.

Bank debt is secured by way of debentures in the Group companies which are obligors to the loans. These are XPS Pensions Group plc, XPS Consulting Limited, XPS Pensions Consulting Limited, XPS SIPP Services Limited, XPS Holdings Limited, XPS Pensions Limited, XPS Investment Limited, XPS Administration Limited, and Polaris Actuaries and Consultants Limited. The security is over all the assets of the companies which are obligors to the loans.

20 Reconciliation of liabilities arising from financing activities

	31 March 2025 £'000	Cash flows £'000	Other non-cash changes £'000	Non-cash change: new leases/ interest this year £'000	**31 March 2026 £'000**
Drawn revolving credit facility	55,000	8,000	—	—	**63,000**
Capitalised debt arrangement fees	(979)	—	230	—	**(749)**
Interest payable on long-term borrowings	46	(3,361)	—	3,325	**10**
Lease liabilities	14,953	(2,921)	—	3,794	**15,826**
Total liabilities from financing activities	69,020	1,718	230	7,119	**78,087**

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

20 Reconciliation of liabilities arising from financing activities continued

	31 March 2024 £'000	Cash flows £'000	Other non-cash changes £'000	Non-cash change: new leases/ interest this year £'000	31 March 2025 £'000
Drawn revolving credit facility	24,000	31,000	—	—	55,000
Capitalised debt arrangement fees	(614)	(999)	634	—	(979)
Interest payable on revolving credit facility	89	(1,818)	—	1,775	46
Lease liabilities	9,167	(2,315)	—	8,101	14,953
Total liabilities from financing activities	32,642	25,868	634	9,876	69,020

Net debt for bank reporting purposes:

	31 March 2026 £'000	31 March 2025 £'000
Drawn revolving credit facility	**63,000**	55,000
Less: cash	**(16,848)**	(14,717)
Net debt	**46,152**	40,283

For banking covenant purposes, net debt includes any amounts owed as contingent consideration, but excludes lease liabilities.

21 Provisions for other liabilities and charges

31 March 2026	**Social security costs on PSP/SEP/ DSBPs £'000**	**Dilapidations £'000**	**Professional indemnity £'000**	**Total £'000**
Balance at 1 April 2025	**3,406**	**1,791**	**406**	**5,603**
Provisions made during the year	**1,022**	**539**	**1,641**	**3,202**
Provisions used during the year	**(1,869)**	**—**	**(72)**	**(1,941)**
Provisions released unused during the year	**—**	**(103)**	**(316)**	**(419)**
Balance at 31 March 2026	**2,559**	**2,227**	**1,659**	**6,445**
Due within one year or less	**1,649**	**420**	**1,659**	**3,728**
Due after more than one year:				
Between one and three years	**910**	**198**	**—**	**1,108**
Over three years	**—**	**1,609**	**—**	**1,609**
	2,559	**2,227**	**1,659**	**6,445**

31 March 2025	Social security costs on PSP/SEPs £'000	Dilapidations £'000	Professional indemnity £'000	Total £'000
Balance at 1 April 2024	1,857	1,353	506	3,716
Provisions made during the year	2,818	438	605	3,861
Provisions used during the year	(1,269)	—	(401)	(1,670)
Provisions released unused during the year	—	—	(304)	(304)
Balance at 31 March 2025	3,406	1,791	406	5,603
Due within one year or less	1,929	365	406	2,700
Due after more than one year:				
Between one and three years	1,477	165	—	1,642
Over three years	—	1,261	—	1,261
	3,406	1,791	406	5,603

21 Provisions for other liabilities and charges continued

Social security costs (National Insurance) are payable on gains made by employees on exercise of share options granted to them. The eventual liability to National Insurance is dependent on:

- the market price of the Group's shares at the date of exercise;
- the number of options that will be exercised; and
- the prevailing rate of National Insurance at the date of exercise.

Dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The cost is recognised within the depreciation of the right-of-use asset over the remaining term of the lease. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

The dilapidations provision will be utilised after the end of the lease of the asset to which it relates.

The Group is involved in a small number of potential professional indemnity claims. The amount provided represents the Directors' best estimate of the Group's liability, after having taken legal advice. Uncertainties relate to whether claims will be settled out of court or if not whether the Group is successful in defending any action. Because of the nature of the disputes, the Directors have not disclosed future information on the basis that they believe that this would be seriously prejudicial to the Group's position in defending the cases brought against it. The provision relating to potential professional indemnity claims is updated depending on the status of each individual claim.

22 Deferred tax

Analysis of the breakdown and movement of deferred tax during the year is as follows:

	Balance at 1 April 2025 £'000	Recognised in income £'000	Recognised in equity £'000	**31 March 2026 £'000**
Property, plant and equipment	448	405	—	**853**
Other temporary and deductible differences – share-based payments	(6,351)	(228)	2,999	**(3,580)**
Other temporary and deductible differences – other	902	124	—	**1,026**
Customer relationships	21,139	(2,368)	—	**18,771**
	16,138	(2,067)	2,999	**17,070**

	Balance at 1 April 2024 £'000	Recognised in income £'000	Recognised in equity £'000	Acquired in period £'000	31 March 2025 £'000
Property, plant and equipment	319	129	—	—	448
Capital gains	943	(943)	—	—	—
Other temporary and deductible differences – share-based payments	(3,499)	(486)	(2,366)	—	(6,351)
Other temporary and deductible differences – other	496	406	—	—	902
Customer relationships	17,334	(820)	—	4,625	21,139
	15,593	(1,714)	(2,366)	4,625	16,138

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred tax assets and liabilities have been measured at the rate they are expected to unwind at, using a rate substantively enacted at 31 March 2026, which is not lower than 25% (2025: 25%).

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

23 Trade and other payables

	31 March 2026 £'000	31 March 2025 £'000
Trade payables	**10,393**	7,888
Accrued expenses	**21,559**	21,234
Accrued earn out consideration relating to Polaris	**5,488**	670
Interest payable	**10**	46
Other payables	**729**	299
Total financial liabilities excluding leases, loans and borrowings, classified as financial liabilities at amortised cost	**38,179**	30,137
Other payables – tax and social security payments	**3,343**	2,830
Other payables – VAT	**7,817**	7,131
Contract liabilities	**3,710**	7,028
Total trade and other payables	**53,049**	47,126
Current	**47,561**	46,456
Non-current	**5,488**	670
Total trade and other payables	**53,049**	47,126

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates to fair value.

The March 2026 contract liability balance is expected to be recognised in the year ended 31 March 2027 (£3,424,000), 31 March 2028 (£250,000), and 31 March 2029 (£36,000). Of the March 2025 contract liability balance of £7,028,000, £6,611,000 was recognised in revenue in the year to 31 March 2026, £377,000 will be recognised in the year to 31 March 2027, and £40,000 in the year to 31 March 2028.

The non-current trade and other payables relate to post-acquisition remuneration for the Polaris acquisition, which is payable three years post-acquisition, and is based on certain performance criteria. This is kept under review and the figure accrued has been updated to reflect the expected payout at the end of the three-year period.

24 Share capital

	31 March 2026		31 March 2025	
	Ordinary shares '000	Ordinary shares £'000	Ordinary shares '000	Ordinary shares £'000
In issue at the beginning of the year	**208,355**	**104**	207,545	104
Issued during the year	**—**	**—**	810	—
In issue at the end of the year	**208,355**	**104**	208,355	104

	31 March 2026		31 March 2025	
	'000	£'000	'000	£'000
Allotted, called up and fully paid				
Ordinary shares of 0.05p (2025: 0.05p) each	**202,924**	**101**	203,654	102
Shares held by the Group's Employee Benefit Trust				
Ordinary shares of 0.05p (2025: 0.05p) each	**5,431**	**3**	4,701	2
Shares classified in shareholders' funds	**208,355**	**104**	208,355	104

The number of shares allotted in the year is nil (2025: 810,440).

The Group has invested in the shares for its Employee Benefit Trust (EBT). These shares are held on behalf of employees and legal ownership will transfer to those employees on the exercise of an award. This investment in own shares held in trust is deducted from equity in the consolidated statement of changes in equity.

25 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Retained earnings:	All net gains and losses recognised through the consolidated statement of comprehensive income.
Share premium:	Amounts subscribed for share capital in excess of nominal value.
Merger relief reserve:	The merger relief reserve represents the difference between the fair value and nominal value of shares issued on the acquisition of subsidiary companies.
Investment in own shares held in trust:	Cost of own shares held by the EBT.

26 Financial instruments

The fair values and the carrying values of financial assets and liabilities are the same.

Credit risk

The maximum exposure to credit risk at the reporting date was:

	Carrying amount 31 March 2026 £'000	Carrying amount 31 March 2025 £'000
Trade receivables	**33,589**	30,206
Provision for impairment of trade receivables	**(576)**	(539)
Net trade receivables due	**33,013**	29,667
Contract assets – accrued income	**25,133**	19,875
Contract assets – amounts recognised for triennial reviews	**1,289**	1,278
Cash and cash equivalents	**16,848**	14,717
Total	**76,283**	65,537

Credit risk mitigation

The ageing of trade receivables at the reporting date was:

	31 March 2026 £'000	31 March 2025 £'000
Not past due	**25,699**	23,743
Past due 0–30 days	**5,311**	3,932
Past due 31–90 days	**1,971**	1,805
Past due more than 90 days	**608**	726
Total	**33,589**	30,206
Movement in impairment allowance for trade receivables		
Balance at start of the year	**539**	602
Increase during the year	**477**	539
Receivable written off during the year as uncollectable	**—**	(34)
Reversal of allowances	**(440)**	(568)
Balance at end of the year	**576**	539

The Group prepared a forward-looking impairment model using a provision matrix based on historical data. Using this, the Group believes that an impairment allowance of £576,000 (2025: £539,000) is adequate in respect of trade receivables. Those debts which have not been provided against are considered recoverable by the Group. In accordance with IFRS 9, the expected credit loss (ECL) model was used to calculate the impairment loss.

The Group has considered whether any provision needs to be made for credit losses on contract assets, and concluded that there are none.

Cash flow risk

The Group is exposed to cash flow interest rate risk in two main respects. Firstly, corporate and client bank deposits, which earn interest at a variable rate, although not at a material level. Secondly, interest expense arising on the Group's revolving credit facility at a margin over SONIA.

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

26 Financial instruments continued

Interest rate risk

The interest rate on the Group's revolving credit facility is a margin over SONIA and as such the Group is at risk from SONIA increases. The sensitivity of the interest rate risk has been assessed and it is not material.

Liquidity risk

Liquidity risk arises from the Group's working capital and the finance charges and principal repayments on its debt instruments. It is the risk the Group will encounter difficulty in meeting its financial obligations as they fall due.

The following table sets out the contractual maturities (representing undiscounted cash flows) of financial liabilities:

	Up to 3 months £'000	**Between 3 and 12 months £'000**	**Between 1 and 2 years £'000**	**Between 2 and 5 years £'000**	**Over 5 years £'000**	**31 March 2026 £'000**
Trade and other payables	**38,179**	**—**	**—**	**—**	**—**	**38,179**
Leases	**1,358**	**2,667**	**2,962**	**6,339**	**5,421**	**18,747**
Loans and borrowings	**—**	**—**	**—**	**63,000**	**—**	**63,000**
Bank interest	**753**	**2,261**	**2,270**	**2,245**	**—**	**7,529**
	40,290	**4,928**	**5,232**	**71,584**	**5,421**	**127,455**

	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	31 March 2025 £'000
Trade and other payables	30,137	—	—	—	—	30,137
Leases	965	2,526	3,145	5,909	4,956	17,501
Loans and borrowings	—	—	—	55,000	—	55,000
Bank interest	807	2,268	2,109	2,354	—	7,538
	31,909	4,794	5,254	63,263	4,956	110,176

The Group does not have any concerns over meeting its liabilities as they fall due, as the forecasts prepared indicate sufficient cash receipts in each period to cover liabilities.

Cash and cash equivalents for the purposes of the statement of cash flows comprise:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Cash at bank available on demand	**16,848**	14,717

Capital risk

The Group's objectives when managing capital are to maximise shareholder value whilst safeguarding the Group's ability to continue as a going concern. Total capital is calculated as total equity in the statement of financial position.

Management of capital

	31 March 2026 £'000	31 March 2025 £'000
Total equity	**174,847**	185,407

27 Related party transactions

Key management emoluments during the year

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, being the Board of Directors.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Emoluments	**5,818**	6,379
Share-based payment	**1,759**	1,340
Company contributions to defined contribution pension plans	**30**	30
Social security costs	**986**	783
	8,593	8,532

Non-executive emoluments during the year

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Emoluments	**474**	500
Social security costs	**55**	61
	529	561

One of the Non-Executive Directors is also a customer of the Group's SIP business. No amounts were outstanding at 31 March 2026.

28 Earnings per share

	31 March 2026 £'000	31 March 2025 £'000
Profit for the year	**26,558**	30,343

	31 March 2026 '000	31 March 2025 '000
Weighted average number of ordinary shares in issue	**204,313**	206,453
Diluted weighted average number of ordinary shares	**214,609**	219,437
Basic earnings per share (pence)	**13.0**	14.7
Diluted earnings per share (pence)	**12.4**	13.8

The calculation of basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

Reconciliation of weighted average ordinary shares in issue to diluted weighted average ordinary shares:

	Year ended 31 March 2026 '000	Year ended 31 March 2025 '000
Weighted average number of ordinary shares in issue	**204,313**	206,453
Dilutive impact of share options vested up to exercise date	**1,451**	792
Dilutive impact of PSP, DSBP and SEP options not yet vested	**7,492**	8,334
Dilutive impact of dividend yield shares for PSP, DSBP and SEP options	**971**	1,125
Dilutive impact of SAYE options not yet vested	**382**	2,733
Diluted weighted average number of ordinary shares	**214,609**	219,437

Share awards were made to the Executive Board members and key management personnel in each year since the year ended 31 March 2017, these are subject to certain conditions, and each tranche of awards vest three years after the award date. Deferred Share Bonus Plan awards vest two years after the award date. Dividend yield shares relating to these awards will also be awarded upon vesting of the main awards. Further shares have been issued under SAYE share schemes in the year ending 31 March 2025; these will vest in the year ending 31 March 2028. These shares are reflected in the diluted number of shares and diluted earnings per share calculations.

Notes to the consolidated financial statements continued
for the year ended 31 March 2026

28 Earnings per share continued

Adjusted earnings per share

	31 March 2026 £'000	31 March 2025 £'000
Adjusted profit after tax	**47,937**	45,112
Adjusted earnings per share (pence)	**23.5**	21.9
Diluted adjusted earnings per share (pence)	**22.3**	20.6

The adjusted profit after tax is taken from the trading column of the income statement, and excludes the impact of the exceptional and non-trading items disclosed in note 5.

29 Subsidiaries

The following are the wholly owned companies consolidated within the financial statements of XPS Pensions Group plc:

Company name	Company number	Principal activity	Registered address
XPS Consulting Limited	08287502	Holding company	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB

The subsidiaries below are indirectly owned by other Group companies:

Company name	Company number	Principal activity	Registered address
XPS Pensions Consulting Limited	02459442	Employee benefit consultancy	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
XPS SIPP Services Limited	SC069096	Employee benefit consultancy	Scotia House, Castle Business Park, Stirling, Stirlingshire FK9 4TZ
Xafinity Pensions Trustees Limited	01450089	Dormant	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
Hazell Carr (AT) Services Limited	SC420031	Employee benefit consultancy	Scotia House, Castle Business Park, Stirling, Stirlingshire FK9 4TZ
Hazell Carr (SG) Services Limited	01867603	Dormant	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
Hazell Carr (ES) Services Limited	02372343	Dormant	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
Hazell Carr (PN) Services Limited	00236752	Dormant	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
Hazell Carr (SA) Services Limited	SC086807	Dormant	Scotia House, Castle Business Park, Stirling, Stirlingshire FK9 4TZ
Xafinity Employee Benefit Trust 2013	n/a	Trust	JTC Trustees Limited, Elizabeth House, 9 Castle Street, St Helier, Jersey JE4 2QP
XPS Holdings Limited	04807951	Holding company	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
XPS Administration Holdings Limited	09655671	Holding company	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
XPS Administration Limited	09428346	Employee benefit consultancy	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
XPS Investment Limited	06242672	Employee benefit consultancy	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
XPS Pensions Limited	03842603	Employee benefit consultancy	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
XPS Pensions (RL) Limited	05817049	Employee benefit consultancy	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
XPS Pensions (Trigon) Limited	12085392	Employee benefit consultancy	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
MJF Pension Trustees Limited	03394648	Dormant	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
MJF SSAS Trustees Limited	04089958	Dormant	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
Penfida Limited	08020393	Employee benefit consultancy	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB
Polaris Actuaries and Consultants Limited	09640309	Management consultancy activities	Phoenix House, 1 Station Hill, Reading, Berkshire, RG1 1NB

29 Subsidiaries continued

Subsidiary audit exemptions

The following UK subsidiary undertakings are exempt from the requirements of the Companies Act 2006 (the "Act") relating to the audit of individual accounts by virtue of Section 479A of the Act.

Company name	Company number
Hazell Carr (AT) Services Limited	SC420031
XPS Holdings Limited	04807951
XPS Administration Holdings Limited[1]	09655671
XPS Pensions (RL) Limited	05817049
XPS Pensions (Trigon) Limited	12085392
Penfida Limited	08020393
Polaris Actuaries and Consultants Limited	09640309

1 This Company was dissolved on 26 May 2026.

The Company will guarantee all outstanding liabilities that these subsidiaries are subject to as the financial year ended 31 March 2026 in accordance with Section 479C of the Act, as amended by the Companies and Limited Liability Partnerships (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012. In addition, the Company will guarantee any contingent and prospective liabilities that these subsidiaries are subject to.

30 Dividends

Amounts recognised as distributions to equity holders of the Parent in the year

	31 March 2026 £'000	31 March 2025 £'000
Final dividend for the year ended 31 March 2025: 8.2p per share (2024: 7.0p per share)	**16,697**	14,577
Interim dividend for the year ended 31 March 2026: 4.1p (2025: 3.7p) per ordinary share was paid during the year	**8,350**	7,608
	25,047	22,185

The recommended final dividend payable in respect of the year ended 31 March 2026 is £19.0 million or 9.1p per share (2025: £17.0 million or 8.2p per share).

The proposed dividend has not been accrued as a liability as at 31 March 2026 as it is subject to approval at the Annual General Meeting.

	31 March 2026 £'000	31 March 2025 £'000
Proposed final dividend for year ended 31 March 2026	**18,991**	16,961

The Trustee of the Xafinity Employee Benefit Trust has waived its entitlement to dividends.

The Company statement of changes in equity shows that the Company has positive reserves of £195,756,000. Therefore there are sufficient distributable reserves in XPS Pensions Group plc in order to pay the proposed final dividend.

31 Ultimate controlling party

The Directors do not consider that there is an ultimate controlling party.

Statement of financial position – Company

as at 31 March 2026

	Note	31 March 2026 £'000	31 March 2025 £'000
Assets			
Non-current assets			
Investments	5	**52,301**	44,823
Trade and other receivables	6	**229,534**	268,654
		281,835	313,477
Current assets			
Trade and other receivables	6	**9**	1
Cash and cash equivalents		**8**	2
		17	3
Total assets		**281,852**	313,480
Liabilities			
Non-current liabilities			
Trade and other payables	7	**—**	46,666
		—	46,666
Current liabilities			
Trade and other payables	7	**16**	—
Current tax liabilities	8	**2,708**	4,592
		2,724	4,592
Total liabilities		**2,724**	51,258
Net assets		**279,128**	262,222
Equity			
Share capital	9	**104**	104
Share premium	10	**1,786**	1,786
Merger relief reserve	10	**48,687**	48,687
Investment in own shares	10	**(18,233)**	(15,142)
Other reserve	10	**51,028**	43,551
Retained profit	10	**195,756**	183,236
Total equity		**279,128**	262,222

The notes on pages 147 to 150 form part of these financial statements.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own statement of comprehensive income. The profit for the financial year of the holding company, as approved by the Board, was £53,991,000 (2025: £44,970,000).

These financial statements were approved by the Board of Directors on 17 June 2026 and were signed on its behalf by:

Snehal Shah

Snehal Shah
Chief Financial Officer
17 June 2026

Registered number: 08279139

Statement of changes in equity – Company

for the year ended 31 March 2026

	Share capital £'000	Share premium £'000	Merger relief reserve £'000	Investment in own shares £'000	Other reserve £'000	Retained profit £'000	Total £'000
Balance at 1 April 2024	104	1,786	48,687	(2,925)	37,616	166,081	251,349
Comprehensive income and total comprehensive income for the year	—	—	—	—	—	44,970	44,970
Contributions by and distributions to owners							
Shares purchased by Employee Benefit Trust for cash	—	—	—	(18,715)	—	—	(18,715)
Exercise of share options settled from the Employee Benefit Trust	—	—	—	6,498	—	(5,630)	868
Share-based payment expense – IFRS 2 charge in respect of long-term incentives	—	—	—	—	5,946	—	5,946
Deferred tax movement in respect of long-term incentives	—	—	—	—	(11)	—	(11)
Dividends paid	—	—	—	—	—	(22,185)	(22,185)
Total contributions by and distributions to owners	—	—	—	(12,217)	5,935	(27,815)	(34,097)
Balance at 31 March 2025	104	1,786	48,687	(15,142)	43,551	183,236	262,222
Balance at 1 April 2025	104	1,786	48,687	(15,142)	43,551	183,236	262,222
Comprehensive income and total comprehensive income for the year	—	—	—	—	—	53,991	53,991
Contributions by and distributions to owners							
Shares purchased by Employee Benefit Trust for cash	—	—	—	(20,914)	—	—	(20,914)
Exercise of share options settled from the Employee Benefit Trust	—	—	—	17,823	—	(15,548)	2,275
Share-based payment expense – IFRS 2 charge in respect of long-term incentives	—	—	—	—	7,477	—	7,477
Dividends paid	—	—	—	—	—	(25,047)	(25,047)
Dividend equivalents paid on vested share options	—	—	—	—	—	(876)	(876)
Total contributions by and distributions to owners	—	—	—	(3,091)	7,477	(41,471)	(37,085)
Balance at 31 March 2026	**104**	**1,786**	**48,687**	**(18,233)**	**51,028**	**195,756**	**279,128**

The appropriate filing of interim accounts showing sufficient reserves to pay the £25,047,000 dividend was undertaken.

The notes on pages 147 to 150 form part of these financial statements.

Statement of cash flows – Company

for the year ended 31 March 2026

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Cash flows from operating activities		
Profit for the year	**53,991**	44,970
Adjustments for:		
Finance income	**(11,995)**	(14,812)
Finance costs	**1,159**	2,842
Income tax expense	**2,708**	3,002
Dividend income	**(45,876)**	(36,000)
	(13)	2
Decrease/(increase) in trade and other receivables	**8**	(1)
Increase in trade and other payables	**(14)**	—
Net cash (outflow)/inflow from operating activities	**(19)**	1
Cash flows from investing activities		
Finance income received	**6**	25
Net cash inflow from investing activities	**6**	25
Cash flows from financing activities		
Purchase of ordinary shares by EBT	**(20,914)**	(18,715)
Loans with related parties	**29,283**	17,068
Dividends paid	**(8,350)**	—
Net cash inflow/(outflow) from financing activities	**19**	(1,647)
Net increase/(decrease) in cash and cash equivalents	**6**	(1,621)
Cash and cash equivalents at start of year	**2**	1,623
Cash and cash equivalents at end of year	**8**	2

The notes on pages 147 to 150 form part of these financial statements.

Notes to the financial statements – Company

for the year ended 31 March 2026

1 Accounting policies

XPS Pensions Group plc (the "Company") is a public company incorporated in the UK. The principal activity of the Company is that of a holding company. The registered office is Phoenix House, 1 Station Hill, Reading RG1 1NB.

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards. The financial statements have been prepared under the going concern basis.

The preparation of financial statements in accordance with the requirements of International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical judgements or estimates to disclose.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

Taking into consideration the Company's financial position and liquidity requirements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for a period of at least 12 months from the date of approval of the financial statements. Refer to Note 1 in the notes to the consolidated financial statements for the Directors' considerations made in respect to the Group's going concern assessment.

Investments in subsidiaries

Investments in subsidiaries are carried at cost, plus capital contributions to the Group's subsidiary companies in respect of share-based payment charges, less any provisions for impairment.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid and in the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in profit and loss in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Changes in accounting policies – new standards, interpretations and amendments effective from 1 April 2025

New and amended standards and interpretations issued by the IASB that apply for the first time in these annual financial statements do not impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

New standards and interpretations adopted and not yet adopted

A number of new standards, amendments to standards and interpretations are not effective for 2026, and therefore have not been applied in preparing XPS Pensions Group plc's financial statements. These standards, interpretations and amendments issued by the IASB (of which some are still subject to endorsement by the UK) but not yet effective are not expected to have a material impact on the Company's financial statements.

2 Financial risk management

The Company is a holding company and has limited exposure to financial risks. Details of the financial risks management are contained in the Group accounts (note 2) and details of their application to the Company are included in Company note 12. During the year, the Company settled the payable balance of £46.7 million (note 7) owed to related parties by way of an intercompany settlement agreement involving other related parties.

3 Capital risk management

The Company is a holding company and will apply the risk management policies of the Group contained in the Group's financial statements.

Notes to the financial statements – Company continued
for the year ended 31 March 2026

4 Staff numbers and costs

The Company had no employees other than Directors in the year to 31 March 2026 (2025: nil).

No Directors received remuneration for their services to the Company during the year. Directors were remunerated for their services to the Group by a subsidiary company. Details of Directors' remuneration can be found in the Directors' Remuneration Report on pages 70-93.

Pension contributions of £nil (2025: £nil) were paid on behalf of the Directors in the Company.

5 Investments in subsidiaries

	£'000
At 31 March 2024	38,478
Capital contribution arising from share-based payments	5,934
Capital contribution	411
At 31 March 2025	44,823
Capital contribution arising from share-based payments	7,478
At 31 March 2026	**52,301**

Subsidiary	Ownership	Country of incorporation	Class of shares held	Principal activities	Registered address
XPS Consulting Limited	100%	England and Wales	Ordinary	Holding company	Phoenix House, 1 Station Hill, Reading, Berkshire RG1 1NB

All other subsidiaries disclosed in note 29 of the Group accounts are indirectly owned by other Group companies.

6 Trade and other receivables

	31 March 2026 £'000	31 March 2025 £'000
Receivables due from related parties	**229,534**	268,654
Other receivables	**9**	1
Total trade and other receivables	**229,543**	268,655
Non-current receivable	**229,534**	268,654
Current receivable	**9**	1
	229,543	268,655

The receivables due from related parties are classified as non-current in line with the requirements of IAS 1, and is based on the expected timing of the recoverability of the amounts receivable. Interest is charged on the receivables due from related parties in line with the Group's interest rate (see note 13).

7 Trade and other payables

	31 March 2026 £'000	31 March 2025 £'000
Payables due to related parties	**—**	46,666
Other payables	**16**	—
Total trade and other payables	**16**	46,666
Non-current payable	**—**	46,666
Current payable	**16**	—
	16	46,666

8 Current tax liabilities

	31 March 2026 £'000	31 March 2025 £'000
Corporation tax payable	**2,708**	4,592

9 Share capital

Details on the share capital of the Company are contained in the Group financial statements.

10 Reserves

Reserve	Description and purpose
Share premium:	Amount subscribed for share capital in excess of nominal value.
Other reserve:	The other reserve represents the amount in respect of the equity-settled awards made by the Employee Benefit Trust to subsidiary companies as instructed by the Company.
Merger relief reserve:	The merger relief reserve represents the difference between the fair value and nominal value of shares issued on the acquisition of subsidiary companies.
Investment in own shares:	Cost of own shares held by the EBT. See note 11 for more information.
Retained profit:	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

11 Investment in own shares

	31 March 2026 £'000	31 March 2025 £'000
Balance at 1 April	**15,142**	2,925
Acquired during the year	**20,914**	18,715
Utilised during the year	**(17,823)**	(6,498)
Balance at 31 March	**18,233**	15,142

Investment in own shares represents the cost of shares in the Company purchased in the market and held by the Employee Benefit Trust (EBT) to satisfy awards under the Group's employee share option plans (see note 10 to the Group's consolidated financial statements).

During the year, 5,994,262 (2025: 5,923,045) shares with a total value of £20,914,000 (2025: £18,715,000) have been purchased by the EBT. 5,264,451 (2025: 2,734,656) shares were used in the year to satisfy vested employee share options. The number of ordinary shares held by the EBT at 31 March 2026 was 5,430,960 (2025: 4,701,149).

12 Financial instruments

The fair values and the carrying values of financial assets are the same.

Credit risk

The maximum exposure to credit risk at the reporting date was:

	Carrying amount 31 March 2026 £'000	Carrying amount 31 March 2025 £'000
Receivables due from related parties	**229,534**	268,654
Other receivables	**9**	1
Total	**229,543**	268,655

Loans from related parties are repayable on demand. Credit risk for receivables due from related parties has not increased significantly since their initial recognition.

Liquidity risk

The Company does not have any significant liquidity risk, as its receivables and payables are all with related parties and so can control cash flows with intercompany trading partners to ensure liquidity.

Interest rate risk

The Company does not have any significant interest rate risk, as its receivables and payables are all with related parties. All intercompany receivable and payable balances incur interest income and expense at the same rate, which is determined by reference to the Group's borrowing rate on its revolving credit facility.

Notes to the financial statements – Company continued
for the year ended 31 March 2026

12 Financial instruments continued

Capital risk management

As part of XPS Group, the Company is focused on delivering value for its shareholders whilst ensuring the Group is able to continue effectively as a going concern. Total capital for the Company comprises total equity.

The policy for managing capital is to increase shareholder value by maximising profits and cash. Budgets and forecasts are set in the short and medium term that the Company feels are achievable. The processes for managing capital are regular reviews of financial data to ensure that the Company is tracking the targets set and to reforecast as necessary based on the most up-to-date information. This then contributes to the Group's forecast which ensures future covenant test points are met. The Group continues to meet these test points and they have been achieved over the last 12 months. Further information can be found within the consolidated financial statements of XPS Pensions Group plc.

Management of capital	**31 March 2026 £'000**	31 March 2025 £'000
Total equity	**279,128**	262,222

13 Related party transactions

Amounts receivable from/(payable to) related parties at the balance sheet date

	31 March 2026 £'000	31 March 2025 £'000
Loans to related parties	**229,534**	268,654
Loans from related parties	**—**	(46,666)
Net loans to related parties	**229,534**	221,988

Movement in loans to related parties in the year are as follows:

	31 March 2026 £'000	31 March 2025 £'000
Interest income	**11,989**	14,788
Decrease in loans to related parties	**(96,109)**	(41,141)
Intercompany dividend receivable	**45,000**	36,000
Total	**(39,120)**	9,647

Of the decrease in loans to related parties, £26,674,000 (2025: £17,070,000) was cash funded to XPS Pensions Group plc. The rest of the movements were non-cash.

Movement in loans from related parties in the year are as follows:

	31 March 2026 £'000	31 March 2025 £'000
Interest expense	**(1,079)**	(2,781)
Decrease in loans from related parties	**47,745**	579
Total	**46,666**	(2,202)

Of the decrease in loans from related parties, £2,611,000 (2025: £nil) was cash. The rest of the movements were non-cash.

All transactions with related parties are made in the ordinary course of business and balances outstanding at the reporting date are unsecured. Loans are repayable on demand and accrue interest at a rate in line with the Group's bank borrowing rate. 5.21% was applied in the year (2025: 6.15%). All related parties are part of the XPS Group.

14 Ultimate controlling party

The Directors do not consider that there is an ultimate controlling party.

Company information

Registered office and Directors' address

Phoenix House
1 Station Hill
Reading
Berkshire
RG1 1NB

Company Secretary

Sarah Rixon

Financial adviser and broker

Canaccord Genuity Limited

88 Wood Street
London
EC2V 7QR

Financial adviser and broker

Deutsche Numis

45 Gresham Street
London
EC2V 7BF

Legal advisers to the Company

Macfarlanes LLP

20 Cursitor Street
London
EC4A 1LT

Auditor

BDO LLP

55 Baker Street
London
W1U 7EU

Registrar

Equiniti Limited

Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Bankers

Barclays Bank plc

1 Churchill Place
London
E14 5HP

Northern Bank Ltd T/A Danske Bank

Donegall Square West
Belfast
Northern Ireland
BT1 6JS

Crédit Industriel et Commercial, London Branch

Finsbury Circus House
15 Finsbury Circus
London
EC2M 7EB

HSBC Bank plc

London Commercial Banking Centre
6th Floor
71 Queen Victoria Street
London
EC4V 4AY

Lloyds Bank plc

The Mound
Edinburgh
EH1 1YZ

Notes

www.xpsgroup.com

FSC www.fsc.org MIX Paper | Supporting responsible forestry FSC® C001785

CARBON BALANCED PAPER www.carbonbalancedpaper.com CBP036381

XPS Pensions Group plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Arctic Matt, an FSC® certified material.

This document was printed by Park Communications using its environmental print technology, which minimises the impact of printing on the environment, with 99% of dry waste diverted from landfill. Both the printer and the paper mill are registered to ISO 14001.

Produced by designportfolio

XPS Group

Registered office

Phoenix House
1 Station Hill
Reading
Berkshire
RG1 1NB

T: 0118 918 5000
www.xpsgroup.com