IFG GROUP PLC

2009

Annual Report
and Accounts

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Calendar

Annual General Meeting

30 June 2010

Dividends

Interim 2009 - paid 29 January 2010

Final 2009 - payable 16 July 2010

Financial Highlights

	Adjusted measures 2009 €'000	Adjusted measures 2008 Restated €'000	Notes	**Total IFRS 2009 €'000**	Total IFRS 2008 Restated €'000
Revenue	**93,287**	105,087		**93,287**	105,087
Operating profit	**17,963**	21,231	1	**10,236**	16,098
Profit before income tax	**16,368**	18,332	1	**8,641**	13,199
Adjusted earnings per ordinary share - in cent	**20.60**	22.77	2	**n/a**	n/a
Basic earnings per ordinary share - in cent	**n/a**	n/a		**8.81**	15.69
Group net debt				**43,943**	46,809
Dividend per ordinary share - in cent	**3.63**	3.63	3		

Notes:

1. Adjusted profit before income tax and adjusted earnings per share are stated before certain exceptional items, amortisation of intangible assets, share based payment compensation and discontinued operations. The 2008 adjusted profit comparatives have been amended to reflect the disclosure of discontinued operations.

2. Reconciliation of adjusted earnings per ordinary share:

	Year ended 31 December 2009		Year ended 31 December 2008	
	Per share cent	**Earnings €'000**	Per share cent	Earnings €'000
Profit attributable to equity holders	**8.81**	**6,590**	15.69	11,365
Amortisation of intangible assets	**6.76**	**5,061**	4.92	3,566
Share based payment compensation	**2.02**	**1,511**	2.16	1,567
Redundancy costs	**1.54**	**1,155**	-	-
Discontinued operations	**1.47**	**1,102**	-	-
Adjusted earnings	**20.60**	**15,419**	22.77	16,498

3. Dividend per ordinary share is calculated as the sum of the interim dividend per share of 1.27 cent and the 2.36 cent per share to be proposed at the forthcoming Annual General Meeting.

Directors & Advisors

Directors

Patrick Joseph Moran
(Chairman)

Mark Bourke
(Chief Executive)

John Lawrie
(Senior Independent Non-Executive)

Donal Lynch
(Executive Director - resigned 30 March 2010)

Victor Quigley
(Non-Executive)

Thomas Wacker
(Non-Executive)

Frank Ryan
(Executive Director - New Markets & New Business Development)

Declan Kenny
(Executive Director - International)

Mark Bogard
(Executive Director - UK)

Colm Barrington
(Non-Executive)

John Rowan
(Non-Executive)

Gary Owens
(Executive Director - Ireland)

Peter Priestley
(Non-Executive - appointed 30 March 2010)

Company Secretary

Donal Lynch A.C.I.S.

Trading Address

IFG House
Booterstown Hall
Booterstown
Co. Dublin

Telephone (353-1) 275 2800
Fax (353-1) 275 2801
E-Mail: group@ifg.ie

Principal Bankers

Bank of Ireland Limited
Lower Baggot Street
Dublin 2

Bank of Scotland (Ireland) Limited
124 - 127 St. Stephens Green
Dublin 2

Stockbrokers

Davy
Davy House
49 Dawson Street
Dublin 2

Group and Subsidiary Company Auditors

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1

Directors & Advisors

Registered Office

IFG Group plc
IFG House
Booterstown Hall
Booterstown
Co. Dublin

Website

www.ifggroup.com

Solicitors

Eversheds O'Donnell Sweeney
One Earlsfort Centre
Earlsfort Terrace
Dublin 2

Registered in Ireland

No. 21010

Registrars

Computershare Investor Services (Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18

Principal Subsidiary Company Auditors

OSK
East Point Plaza
East Point
Dublin 3

PricewaterhouseCoopers
60 Circular Road
Douglas
Isle of Man

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1

Chairman's Statement

Joe Moran
Chairman

IFG Group is pleased to announce results for the year ended 31 December 2009, a year in which the quality and resilience of the Group's businesses were proven in a difficult economic environment.

This performance again confirms our strategy of focusing on the development of core competencies in asset administration and advisory businesses while diversifying geographically.

Adjusted profits before income tax for the year were €16.4 million on revenues of €93.3 million (profit before income tax of €8.6 million). This compares with €18.3 million and €105.1 million respectively in the previous year (profit before income tax of €13.2 million). The reduction in revenue is largely confined to our Irish property business where revenue fell by €7.6 million. When the impact of Sterling (decrease in value) is factored in, the adjusted profitability and high margins have been maintained at close to prior year levels.

Adjusted profits before income tax for the year as shown are before:

i) Non cash items including share option charges of €0.3 million and charges in relation to directors' Long Term Incentive Plan ('LTIP') of €1.2 million.

ii) Amortisation of intangible assets of €5.0 million.

iii) Redundancy costs of €1.2 million.

The effect of these items is a charge before tax of €7.7 million.

Adjusted earnings per ordinary share were 20.60 cent (2008: 22.77 cent). On a total IFRS basis, basic earnings per ordinary share were 8.81 cent (2008: 15.69 cent).

At year end, Group net debt was €43.9 million (2008: €46.8 million) a decrease of €2.9 million. Net contingent consideration was €0.5 million (2008: €8.7 million) following the acquisitions made in the International and Irish segments in 2008.

The International segment has delivered profit of €12.2 million (2008: €12.2 million). This segment accounted for 68% of the Group adjusted profit and demonstrates that even in the current economic climate the business not only holds up but consistently delivers returns.

The UK segment also held up particularly well at €5.2 million (2008: €6.8 million), after the impact of translation of Sterling earnings, lower interest rates and a poor performance in our Siddalls business. The core fee based advisory and pensioneer trustee businesses performed in line with expectations in the year.

IFG Ireland represents circa 4% of the Group performance. The challenges facing this business are considerable and our response has been to continue cost cutting in all transaction based businesses. Our other Irish businesses, Corporate Pensions and Private Clients performed very well meeting expectations despite the tough market conditions.

Chairman's Statement

DIVIDENDS

The Directors intend to continue adopting a progressive dividend policy. Since the year end the Company has issued 48,715,559 new Ordinary Shares as a result of the Placing and Open Offer to fund the James Hay Holdings Limited transaction, which completed on 10 March 2010. Your Board is recommending a final dividend of 2.36 cent per share on the enlarged share capital in issue, which will absorb approximately €2.9 million. This final dividend, when added to the interim dividend already paid of 1.27 cent, makes a total of 3.63 cent per share. This maintains the prior year payout. Subject to shareholder approval, the final dividend will be paid on 16 July 2010 to shareholders on the Register on 2 July 2010.

DIRECTORS & MANAGEMENT

I express my thanks to all our people for their significant commitment, dedication and professionalism which is reflected in these results.

CURRENT TRADING

Our strategy of building diversified geographically spread recurring income streams should enable us to maintain momentum. Trading in local currency terms is in line with expectations and your Board is confident in the financial and trading prospects of the Group for 2010 despite difficult economic conditions.

JOE MORAN
Chairman

Chief Executive's Review

Mark Bourke
Chief Executive

GROUP PERFORMANCE

The Group is managed on a geographic basis of three trading divisions: International, United Kingdom (UK) and Ireland.

The Group earns revenues in these geographical locations from two sources:

- Fees from the provision of services include trustee and corporate services and pensioneer trustee services;
- Commissions earned in the intermediation of financial services products.

During the year the Group continued to develop both organically and by acquisition in its three segments. In the International segment we completed the integration of Excel-Serve Management Limited (now IFG Trust (Cyprus) Limited), and in the Ireland segment, Pensco Limited. In the UK segment we completed on 10 March 2010 the acquisition of James Hay Holdings Limited, the largest provider of Self Invested Personal Pensions (SIPPs) in the UK.

While making progress in the core businesses we maintained focus on cost control in the transaction based businesses. We now have achieved scale in each of our chosen markets and successfully migrated the Group to stable and long term recurring income streams. Our Balance Sheet remains strong and the business is cash generative. The Group invested €6.4 million in capital and acquisition expenditure and also reduced total net debt and commitments by €11.1 million.

We managed our business on tight gearing ratios and thus maintained our keenly priced facilities. With the year end capital raising and acquisition of James Hay, the Balance Sheet is further enhanced. On a proforma basis the Group should reduce net debt to zero in a 12 to 18 month period.

With what has been accomplished at an operating business level and through the James Hay acquisition we have demonstrated the robustness of the model and completed the strategic transformation of the Group which commenced in 2007.

	Total operating profit 2009 €'000	Total operating profit 2008 Restated €'000
International	**12,152**	12,209
UK	**5,218**	6,826
Ireland (including central overhead)	**593**	2,196
Adjusted operating profit*	**17,963**	21,231

*A reconciliation of adjusted profit to profit before tax is included in the segmental analysis in note 6.

Chief Executive's Review

INTERNATIONAL

The International segment has delivered profits of €12.2 million (2008: €12.2 million). The business has performed well and demonstrated resilience despite difficult market conditions.

The Isle of Man business performed well. This was evidenced by high time charges and is attributable to an entrepreneurial and globally diverse client base which remains active even in times of depressed asset prices.

IFG Trust (Jersey) had a difficult year and yet delivered a good result. As stated in the half year interim results, a considerable number (circa 300) of client structures were closed in the year as they were no longer profitable. Management responded by cost cutting and redundancies (15% staff reduction). Despite this, Jersey had considerable success in bringing in new business.

On 30 June 2008 the Group acquired Excel-Serve Management Limited, now rebranded as IFG Trust (Cyprus), a Cyprus based corporate service provider. This acquisition was part of the ongoing execution of the business strategy of developing in the key centres of Isle of Man, Jersey, Cyprus and Switzerland. It added distribution capacity through the relationship with Deloittes in Cyprus and internationally.

The integration of the business including new premises fit out and system introduction took place in 2008/2009 and involved investment in the IFG Trust (Cyprus) cost base and premises. This however, coincided with a fall off in activity in 2009 and the absence of expected growth resulted in a performance below expectations. However, we remain convinced of the strategic importance of Cyprus as an onshore centre within the EU. Although there may be some short term delay, growth will resume and the return on our investment will revert to initial levels experienced in the second half of 2008.

Although the progress of fund administration remains hampered by low asset values, we remain committed to this business.

The Ireland and Switzerland business centres performed well with a final acquisition payment being made on Gestinor AG in March 2009.

We did not pursue plans to expand in Singapore. This remains on our agenda and will be pursued as the global economy picks up. The current two track global recovery process which shows Asia moving ahead in the second half of 2009 re-affirms our commitment to expand into that part of the world.

Although we continue to identify appropriate acquisition targets, our near term appetite for acquisitions is limited by our commitment to conservative gearing levels.

Chief Executive's Review

UNITED KINGDOM

	Total operating profit 2009 €'000	Total operating profit 2008 €'000
Pensioneer Trustee	**2,951**	3,937
Financial Services	**2,267**	2,889
	5,218	6,826

Pensioneer Trustee

In 2009 we maintained the pace of growth in our SIPP book at 16%, growing the number of SIPPs under administration from 6,900 to 8,000. The Pensioneer Trustee business profit of €3.0 million (2008: €3.9 million) represents an excellent underlying result. At an operating level the result was a decrease of €0.3 million despite continued low interest rates and compares favourably with industry peers. Management project costs in the business account for the remainder of the decrease on prior year.

We remain of the view that SIPPs will be the principal member directed retirement planning vehicle in the UK pensions market for the foreseeable future. The current assets under administration in the business are circa €3 billion.

Acquisition of James Hay

In December 2009 we concluded negotiations with Bank of Santander Private Banking UK Limited to purchase James Hay Holdings Limited. With 32,000 SIPPs under administration, the acquisition represents a transformation of the Group. The combined Group is now the largest provider of SIPPs with circa 40,000 under administration and is trading as James Hay, the leading brand in the market.

The acquisition price at £35.0 million (approximately €38.6 million) plus an amount for net assets of £3.9 million (approximately €4.3 million) represents a substantial opportunity. It:

- Is a strategically consistent and significant step.
- Makes IFG number one in the UK market.
- Offers significant efficiency gains.

The task of separation from Bank of Santander and absorption into the IFG Group is the principal focus for UK management in the coming year.

We will maintain the James Hay platform in Salisbury with new business flowing to IFG's platform. This mitigates the risks of standard integration. The opportunity to reinvigorate and bring the James Hay brand back to its core IFA market and the synergy opportunities are highly significant for the UK and the Group as a whole.

Chief Executive's Review

Financial Services

In 2009 profit from Financial Services was €2.3 million (2008: €2.9 million). The UK Financial Services business is dominated by our fee based advisory business Saunderson House Limited which has delivered in extremely challenging markets. The model in Saunderson House is to give conflict free advice on a fee per hour charging structure. The business succeeded in growing revenue and profits in 2008 and 2009, an achievement probably without equal within the sector.

Last year we said "This performance is a result of the strong proposition, business model, market position and top quality management. We believe that we will continue to attract clients in a market materially impacted by the performance of opaque, complex and sometimes leveraged products, frequently sold in situations with inherent conflicts. We are optimistic that even in a market which is more distressed than 2008, Saunderson House Limited will continue to thrive." Our view has been confirmed and the statement is equally relevant as we look to 2010.

Our non fee based business Siddalls which deals with UK citizens retiring overseas incurred material losses of circa €0.9 million. In response we have scaled back operations in the UK and France and ceased operations in Spain.

IRELAND

	Total operating profit 2009 €'000	Total operating profit 2008 Restated €'000
Property	**91**	236
Financial Services including central overhead	**502**	1,960
	593	2,196

Property

Mortgage lending in Ireland reduced to circa 20% of 2007 volumes. On the mortgage side the income is now mainly related to the sale of life assurance. This business contributes positively on a marginal accounting basis to central overhead but is, and will remain, loss making in the current environment. During the year management decided to discontinue the title insurance business.

Chief Executive's Review

Financial Services including central overhead

Individual and group pensions were profitable and in total exceed prior year by 47%. We have integrated the Pensco acquisition which was completed in October 2008. While the economic backdrop remains difficult we are confident there is an opportunity to grow the core business of administration and advice.

GROUP FINANCING

	As at 31 December 2009			As at 31 December 2008		
	Core	**Investment**	**Total**	Core	Investment	Total
	€'m	**€'m**	**€'m**	€'m	€'m	€'m
Total net borrowings	**41.0**	**2.9**	**43.9**	43.9	2.9	46.8
Contingent consideration			**7.2**			20.9
Less restricted cash - held in escrow			**(6.7)**			(12.2)
Total net commitment			**44.4**			55.5

The Group's net cash generated from continuing operations was €18.0 million (2008: €14.7 million). During 2009 the Group utilised €8.8 million (2008: €40.3 million) in respect of investing activities.

OUTLOOK

In 2009 we delivered to expectation and remained highly profitable in our core product lines of Corporate Service and Pension Administration and Advisory. We have transformed the Group through the acquisition of James Hay, the largest provider of SIPPs in the UK. The acquisition was completed in March 2010.

The combination of leading market positions, proven customer proposition and a strong balance sheet is our basis for continued success.

MARK BOURKE
Chief Executive

Notice of Meeting

Notice is hereby given that the Forty Sixth Annual General Meeting of IFG Group plc will be held at the Radisson St Helen's Hotel, Stillorgan, Dublin 4 on 30 June 2010 at 12.00 noon for the following purposes:

Ordinary Business

1 To receive and consider the Report of the Directors, financial statements and the Independent Auditor's Report thereon for the year ended 31 December 2009.

2 To declare the dividend recommended by the directors.

3 To elect as a director Peter Priestley who was co-opted on 30 March 2010 and so retires in accordance with the Company's Articles of Association.

4 To re-elect as a director Mark Bogard who retires by rotation in accordance with the Company's Articles of Association.

5 To re-elect as a director Gary Owens who retires by rotation in accordance with the Company's Articles of Association.

6 To re-elect as a director Colm Barrington who retires by rotation in accordance with the Company's Articles of Association.

7 To re-elect as a director Joe Moran who retires by rotation in accordance with the Company's Articles of Association.

8 To re-elect as a director Thomas Wacker who retires in accordance with best practice under the Combined Code on Corporate Governance.

9 To re-elect as a director John Lawrie who retires in accordance with best practice under the Combined Code on Corporate Governance.

10 To authorise the directors to agree the remuneration of the auditors.

Special Business

11 As an Ordinary Resolution

"that the directors of the Company be and they are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 20 of the Companies (Amendment) Act, 1983) up to an aggregate nominal amount not exceeding the present authorised but unissued capital of the Company; provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or 30 September 2011 (if earlier) unless previously renewed, varied or revoked by the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired".

Notice of Meeting

12 As a Special Resolution

"that the directors be and they are hereby empowered pursuant to Section 23 and Section 24 (1) of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of Section 23 of the said Act) for cash pursuant to the authority conferred by Resolution 11 above as if Section 23 (1) of the Companies (Amendment) Act, 1983 did not apply to such allotment provided that this power shall be limited:

i to the allotment of equity securities in connection with a rights issue in favour of shareholders where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to the respective number of Ordinary Shares held by them; and

ii to the allotment (otherwise than pursuant to sub-paragraph i above) of equity securities up to an aggregate nominal value of €900,926 representing ten per cent of the issued share capital of the Company at 31 December 2009.

The power hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or 30 September 2011 (if earlier) unless such power shall be renewed in accordance with and subject to the provisions of the said Section 24 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired".

13 As a Special Resolution

"that the Company be and is hereby generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 212 of the Companies Act, 1990) on The London Stock Exchange and/or The Irish Stock Exchange of Ordinary Shares of €0.12 each in the capital of the Company ("Ordinary Shares") provided that:

a. the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 7,507,722 (representing ten per cent of the issued ordinary share capital at 31 December 2009);

b. the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is €0.12 being the nominal value of an Ordinary Share;

c. the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is not more than five per cent above the average of the bid and offer price for an Ordinary Share for the ten business days immediately preceding the day on which the Ordinary Shares are purchased;

d. unless previously revoked or varied, the authority hereby conferred shall expire at the close of business on 31 December 2011;

e. the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares in pursuance of such a contract or contracts, notwithstanding that this authority has otherwise expired".

Notice of Meeting

14 As a Special Resolution

"that for the purposes of Section 209 of the Companies Act, 1990, the re issue price range at which any Treasury Shares (as defined by the said Section 209) for the time being held by the Company may be re-issued off-market shall be as follows:

a. the maximum price at which a Treasury Share may be re-issued off-market, shall not be more than five per cent above the average of the bid and offer price for an Ordinary Share for the ten business days immediately preceding the day on which the Treasury Share is reissued;

b. the minimum price at which a Treasury Share may be re-issued off-market shall not be less than ten per cent below the average of the bid and offer price for an Ordinary Share for the ten business days immediately preceding the day on which the Treasury Share is re-issued.

Unless previously revoked or varied, the authority hereby conferred shall expire at the close of business on 31 December 2011".

15 As a Special Resolution

"that, in accordance with the Shareholder Rights (Directive 2007/36/EC) Regulations 2009, the provisions of Article 59 of the Articles of Association of the Company allowing for the convening of an Extraordinary General Meeting of the Company on giving 14 days' notice in writing at the least (where such meeting is not an Annual General Meeting or a general meeting for the passing of a Special Resolution) shall continue to be effective".

By order of the Board

D M Lynch, Secretary

IFG House
Booterstown Hall
Booterstown
Co Dublin

23 April 2010

Notice of Meeting

Notes

1 A member entitled to attend and vote may appoint a proxy to attend, speak and vote instead of him and such proxy need not necessarily be a member of the Company. A proxy form is enclosed for this purpose. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of authority must be deposited at the registered office of the Company by not later than 12.00 noon on 28 June 2010. In the case of a corporation, the proxy form must be either under the common seal or under the hand of an officer or attorney authorised in that behalf. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other registered holders of the shares and for this purpose seniority shall be determined by the order in which the names stand in the register of members. Completing and returning a proxy form shall not preclude a member from attending and voting at the meeting should he/she so wish.

2 The following documents will be available at the registered office of the Company on Monday to Friday during normal business hours and at the place of the meeting for a period of fifteen minutes before and during the meeting:

a The register of Directors' or Secretary's interest in shares in, or debentures of, the Company or any subsidiary;

b The register of interests in shares in the Company;

c The rules of the IFG Group Share Option Scheme 2000 and the IFG Group Share Option (UK) Scheme 2000;

d The Memorandum and Articles of Association of the Company;

e The Service Contracts of Directors.

Report of the Directors

The Directors of IFG Group plc present their report and the audited financial statements for the year ended 31 December 2009.

Activities

The Group is organised into three primarily geographical segments - International, UK and Ireland.

The principal products and services offered by the Group are the provision of financial services and trustee and corporate services. The Chairman's Statement on page 5 and 6 and the Chief Executive's Review on page 7 to 11 contain a review of the development of the businesses of the Group during the year, the position at the year end and of likely future developments.

Results

The profit for the financial year after taxation and minority interest was €6,590,000 (2008: €11,365,000).

Dividends

An interim dividend of 1.27 cent per ordinary share, subject to withholding tax at 20% (2008: 1.27 cent), was paid on 29 January 2010 and a final dividend of 2.36 cent per ordinary share, which may be subject to withholding tax at 20% (2008: 2.36 cent subject to withholding tax at 20%), will be paid on 16 July 2010 to qualifying shareholders on the register on 2 July 2010.

Business Review

A detailed commentary and review of the activities of the Group is contained in the Chief Executive's Review on pages 7 to 11 of the Annual Report.

Report of the Directors

Principal Risks and Uncertainties

The Group's businesses are subject to the general risks to which all companies operating in the same market as the Group are subject. The markets in which the Group operates may be affected by numerous factors, many of which are beyond the Group's control and the exact effect of which cannot be accurately predicted. In accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the Directors note that the principal risks and uncertainties facing the Group continue to include adverse developments in the following areas:

- the regulatory, taxation or legislative environment applicable to the Group's activities;
- the intensity of competition in the markets in which the Group operates and the changing demand for products;
- the economic, technological and other macro factors affecting demand for the Group's services;
- the ability to arrange financing in the future having regard to the prevailing capital market conditions, as well as conditions within the businesses and/or operating results;
- the Group's ability to successfully manage its costs and to maintain its profit margins during periods of declining income;
- the ability to attract and retain highly skilled employees and executives;
- the ability of the Group to avoid disruption to its key information technology systems;
- the significant adverse movement in foreign currencies particularly Sterling pounds;
- the maintenance of satisfactory relationships with key customers and intermediaries and the ability to attract and retain customers;
- the ability to contain the level of loss arising from complaints from customers who have allegedly suffered losses as a result of mis-selling of financial products;
- the risks associated with integrating acquisitions into the business and in successfully realising the growth expected from such acquisitions.

The Directors monitor all of the above risks and take appropriate action to mitigate those risks or address their potential adverse consequences. Financial risk management objectives and policies which have been implemented by executive management are set out in note 3 to the consolidated financial statements.

Report of the Directors

Directors

Patrick Joseph Moran, aged 74, is non-executive Chairman of the Company since its formation in October 1989. He is also a director of a number of other companies including Manor Park Homebuilders Limited. He is a significant shareholder holding 5.4 million shares in the Company. He is chairman of the Company's Remuneration and Nomination Committees and a member of the Audit Committee.

Mark Bourke, aged 43, is Group Chief Executive since June 2006. He joined the Group in September 2000 as finance director and was appointed Deputy Chief Executive in November 2004 at which time he also assumed responsibility for the Group's Irish segment. He was previously a Partner in international tax services with PricewaterhouseCoopers US, San Jose, California.

Mark Bogard, aged 48, is an executive Director and is Chief Executive Officer of IFG's UK segment since 2004. He has an MA from Cambridge University and completed his articles at Slaughter and May and then worked for Schroders in investment banking and on group strategy. He subsequently ran Barclays UK Offshore Funds business before leaving to join Moneyextra, which was then sold to the Bank of Ireland in 2000. Moneyextra was subsequently merged with Willis National and then Chase de Vere investments, both leading UK IFAs, where he was managing director of the resultant business which focused on private client advice, employees benefits advice and mortgage broking.

Declan Kenny, aged 48, is an executive Director and is Chief Executive Officer of IFG's International segment. He is a Certified Accountant and Chartered Secretary, has held several positions in the Group's Isle of Man business which he joined in 1989, and has responsibility for the Group's International Corporate and Trustee Services segment since 2002.

Gary Owens, aged 51, is an executive Director and is Chief Executive Officer of IFG's Ireland segment since 2007. He is an Associate of the Chartered Insurance Institute and has held many senior roles in both Life and General Insurance industries. He is also a non-executive director of AIG Ireland Limited, for which he received and retained remuneration of €18,000 in the year.

Colm Barrington, aged 64, is a non-executive Director since June 2005. He is a member of the Remuneration, Audit and Nomination Committees of the Company. He is managing director of Babcock and Brown Limited, a position he has held since 1994. He is a graduate of UCD and prior to 1994 held several senior positions with GPA Group plc, including GPA Capital. He is currently Chairman of Aer Lingus plc.

John Lawrie, aged 67, is a non-executive Director since August 2000, Chairman of the Audit Committee and a member of the Nomination, Remuneration and Internal Control and Risk Committees of the Company. He is a former chairman of Aberdeen Asset Management Ireland Limited, investment managers to Scottish Provident Ireland whose Irish equity portfolios he managed for over twenty five years. He is the Senior Independent Director.

John Rowan, aged 52, is a non-executive Director since October 2006 and is Chairman of the Internal Control and Risk Committee. He is a fellow of the Institute of Chartered Accountants in Ireland and a former director of Anglo Irish Bank Corporation plc. He was UK chief executive of Anglo Irish Corporation plc until December 2005, a position he held since 1988.

Report of the Directors

Victor Quigley, aged 62, is a non executive Director since July 2009, having joined IFG in November 1989 upon the sale of his company, IFG Quigley Limited, now trading as IFG Private Clients, to IFG. Up to 30 June 2009 he was the executive director responsible for the Group's life, pensions and investment brokerage which provides a comprehensive range of financial advice planning and advisory services to individual and corporate clients. He is also founding editor of the 'Irish Broker' magazine and a former Council Member of the IBA.

Thomas Wacker, aged 66, is a non-executive Director since March 1996 and is a member of the Internal Control and Risk Committee of the Company. He was the Chairman and Chief Executive of the Group's operations in the Isle of Man from 1992 until 1996. He was a founding director and chief executive director of Belmont Advisors (UK) Limited, advisor and consultant to Trans-Europe Buyout Partners IV. Prior to joining IFG he was chairman of Royal Trust International and chief executive of Royal Trust Bank (Austria). He also worked for Citibank and Bank of Montreal in Asia, North America and Europe.

Peter Priestley was co-opted as a non-executive Director on 30 March 2010 and is the appointed representative of Fiordland Investment Limited Partnership which holds 17.50% of the issued share capital of the Company.

Frank Ryan, aged 56, is an executive Director with responsibility for new markets and new business developments. He joined IFG in 1991 and originated both the Group's mortgage and title insurance business of which he is currently Executive Chairman. He has informed the Board of his intention to reduce his day to day involvement within the Company, effective 1 July 2010, and as a consequence he will not be seeking re-election as a Director of the Company at the forthcoming Annual General Meeting.

Donal Lynch, aged 64, is a Chartered Secretary and has been Company Secretary since joining the Company upon its restructuring in October 1989. He is responsible for legal and secretarial matters. He was appointed Finance Director in December 1995, a position he held until September 2000. He resigned as a Director of the Company on 30 March 2010.

In accordance with the Articles of Association of the Company Peter Priestley, who was co-opted on 30 March 2010, retires and being eligible, offers himself for election and Mark Bogard, Gary Owens, Colm Barrington and Joe Moran retire by rotation and, being eligible, offer themselves for re-election.

In accordance with best practice under The Combined Code on Corporate Governance Tom Wacker and John Lawrie retire, and being eligible, offer themselves for re-election.

The Directors believe that each of the retiring Directors should be re-elected on the basis that they bring the necessary and appropriate balance of skills and experience within the Company and on the Board.

Service agreements and contracts are dealt with later in this report.

Report of the Directors

Directors' Remuneration - audited

The remuneration of the Directors for the year ended 31 December 2009 is noted below:

	Salary €'000	**Fees €'000**	**Bonus €'000**	**Other €'000**	**Pension €'000**	**Total €'000**
Patrick Joseph Moran	-	60	-	-	-	**60**
Mark Bourke	454	-	-	26	116	**596**
Mark Bogard	251	-	-	19	44	**314**
Declan Kenny	257	-	-	87	51	**395**
Gary Owens	328	-	-	34	66	**428**
Colm Barrington	-	45	-	-	-	**45**
John Lawrie	-	45	-	-	-	**45**
Donal Lynch	200	-	-	13	117	**330**
Frank Ryan	321	-	-	18	35	**374**
John Rowan	-	45	-	-	-	**45**
Victor Quigley *(non-executive from 1 July 2009)*	129	19	184	83	26	**441**
Thomas Wacker	-	45	-	-	-	**45**
Total	**1,940**	**259**	**184**	**280**	**455**	**3,118**

The remuneration of the Directors for the year ended 31 December 2008 is noted below:

	Salary €'000	Fees €'000	Bonus €'000	Other €'000	Pension €'000	Total €'000
Patrick Joseph Moran	-	60	-	-	-	60
Mark Bourke	457	-	119	26	70	672
Mark Bogard	338	-	152	1	-	491
Declan Kenny	273	-	197	9	55	534
Gary Owens	315	-	-	28	63	406
Colm Barrington	-	45	-	-	-	45
John Lawrie	-	45	-	-	-	45
Donal Lynch	200	-	50	16	107	373
Frank Ryan	327	-	-	18	180	525
John Rowan	-	45	-	-	-	45
Victor Quigley	236	19	190	4	297	746
Thomas Wacker	-	45	-	-	-	45
Total	2,146	259	708	102	772	3,987

Report of the Directors

The remuneration tables above do not include the accounting charges in respect of share based payment entitlements of some of the executive Directors. The accounting charges in respect of the share based payment compensation and entitlements are disclosed later in the Directors' Report.

The salaries for executive Directors are reviewed annually. Benefits to executive directors may include a company car, car allowance and health benefits.

Pension payments in respect of executive Directors are calculated on basic salary only and no incentive or benefit are included.

All Directors' pension contributions are paid to defined contribution schemes, with the exception of Declan Kenny who is a member of a defined benefit scheme. The pension benefits earned during the year, and accrued at the year end, as part of the defined benefit scheme are as follows:

	Increase in accrued benefit in 2009 €'000	Transfer value of the increase in accrued benefit in 2009 €'000	Accrued benefit at year end 2009 €'000	Accrued benefit at year end 2008 €'000
Declan Kenny	7	99	78	66

Directors' interest in Long Term Incentive Plan (the 'Plan') - audited

Interests in conditional Ordinary Shares of €0.12 each awarded to executive directors under the IFG Long Term Incentive Plan 2006, subject to the rules of the Plan, and which are held in an Employee Benefit Trust on their behalf, are as follows:

Mark Bourke	500,000 shares
Mark Bogard	500,000 shares
Frank Ryan	500,000 shares
Declan Kenny	312,500 shares
Gary Owens	200,000 shares

Report of the Directors

Share awards granted/to be granted to executive directors are set out below:

Director	Performance cycle ending	Grant date	Market price per ordinary shares at grant date €	Shares earned at 1 January 2009 Number	Shares earned in year Number	Shares earned as at 31 December 2009 Number	Maximum that can be earned Number
Mark Bourke	31.12.2010	28.09.2006	2.10	750,000	0	750,000	1,250,000
Frank Ryan	31.12.2010	28.09.2006	2.10	750,000	0	750,000	1,250,000
Mark Bogard	31.12.2010	28.09.2006	2.10	750,000	0	750,000	1,250,000
Gary Owens	31.12.2010	14.07.2007	2.22	400,000	0	400,000	800,000
Declan Kenny	31.12.2010	20.11.2007	1.52	562,500	0	562,500	1,062,500

The Share Awards under the Long Term Incentive Plan ('LTIP'), approved by shareholders at an Extraordinary General Meeting on 28 September 2006, are contingent on the achievement of defined annual adjusted EPS growth targets for the financial years 2006 to 2010 and on the recipients remaining with the Group until the end of the performance period.

The Share Awards in respect of the year ended 31 December 2008 will, in accordance with the rules of the Plan, be awarded at the end of the performance period 31 December 2010.

During 2009, in accordance with the rules of the Plan, 670,834 Ordinary Shares were issued to the Employee Benefit Trust on behalf of the directors. The market price of these Ordinary Shares at date of issue was €0.45 per share.

On 30 March 2010, in accordance with the rules of the Plan, 379,166 Ordinary Shares were issued to the Employee Benefit Trust on behalf of the Directors. The market price of these Ordinary Shares at date of issue was €1.35 per share.

The accounting charge calculated in line with the Group's accounting policy in respect of the Plan for the year including the employer's social security contribution for Group Directors was €1,197,000 (2008: €1,163,000).

Report of the Directors

Directors' Interests in Shares

The interests of the Directors in office and their families, all of which were beneficial, in the €0.12 ordinary shares of the Company at 31 December 2009 and 31 December 2008, or date of appointment, if later, are noted below:

	At 31 December 2009 (or date of appointment)		At 31 December 2008	
	Shares under option	**Share holding**	Shares under option	Share holding
Patrick Joseph Moran	**-**	**5,413,612**	-	5,413,612
Mark Bourke	**275,000**	**553,275**	275,000	553,275
Mark Bogard	**250,000**	**10,440**	250,000	10,440
Declan Kenny	**75,000**	**333,084**	100,000	558,084
Colm Barrington	**-**	**516,800**	-	516,800
John Lawrie	**-**	**50,000**	-	50,000
Donal Lynch *(also Company Secretary)*	**275,000**	**152,074**	275,000	152,074
John Rowan	**-**	**25,840**	-	25,840
Frank Ryan	**120,000**	**419,713**	120,000	419,713
Victor Quigley	**75,000**	**901,211**	75,000	901,211
Thomas Wacker	**-**	**314,955**	-	314,955
Gary Owens	**-**	**36,800**	-	36,800
Peter Priestley *(appointed 30 March 2010)*	**-**	**735,711**	n/a	n/a

The number of Ordinary Shares held by Declan Kenny above includes 274,000 Ordinary Shares held by a company associated and connected with his family. The number of Ordinary Shares held by Thomas Wacker includes 314,955 Ordinary Shares held indirectly by a company associated and connected with his family. The number of Ordinary Shares held by Peter Priestley above includes 735,711 Ordinary Shares in which the director is indirectly interested in.

There have been no changes in the above holdings between 31 December 2009 and 23 April 2010.

On 20 May 2009 Declan Kenny exercised a Share Option over 25,000 Ordinary Shares at 77.45 cent per share. The market price of an Ordinary Share at that date was €1.00 per share. On 18 June 2009 Declan Kenny sold 250,000 Ordinary Shares at a market price of €0.85 per share.

Report of the Directors

Share Options - audited

The dates granted and prices of the shares under option are as follows:

VW Quigley	DM Lynch	FE Ryan	DT Kenny	MG Bourke	MA Bogard	Date granted	Exercise price	Expiry date
-	-	-	-	-	250,000	16.04.2005	99c	15.04.2015
25,000	25,000	-	-	25,000	-	13.07.2004	102c	12.07.2014
-	-	20,000	50,000	-	-	16.04.2004	114c	15.04.2014
-	-	-	-	250,000	-	06.09.2000	170c	05.09.2010
50,000	250,000	-	-	-	-	04.07.2000	140c	03.07.2010
-	-	100,000	25,000	-	-	11.05.2000	114c	10.05.2010
75,000	**275,000**	**120,000**	**75,000**	**275,000**	**250,000**	**Total at 31 December 2009**		
75,000	275,000	120,000	100,000	275,000	250,000	Total at 31 December 2008		

The market price at the beginning and at the end of the year on the Irish Stock Exchange of the Company's Ordinary Shares was €0.47 and €1.31 respectively. During the year the price ranged from €0.30 to €1.50.

The accounting charge calculated in line with the Group's accounting policy in respect of the Directors' Share Options for the year was €nil. (2008: €14,000)

Directors' Service Agreements and Contracts

There are no contracts of service terminable on more than one year's notice existing or proposed between the IFG Group and any Director of IFG Group plc. Executive Directors Mark Bourke, Mark Bogard, Frank Ryan and Gary Owens have each entered into Service Agreements and Contracts of Employment with the Group on terms which include participation in the Long Term Incentive Plan, and, *inter alia*, provides for salaries, pension contributions and compensation commitments in the event of early termination. The Company has entered into a contract for services agreement with IFG Employment Limited which procures the services of Declan Kenny, an Executive Director, on terms which, *inter alia*, provides for fees and compensation commitments in the event of early termination. Mr. Kenny is also entitled to be a participant in the Group's LTIP.

Other than as disclosed in note 37 'Related party transactions', there has not been any contract or arrangement with the Company or any subsidiary during the year in which a Director of the Company was materially interested and which was significant in relation to the Company's business.

Report of the Directors

Substantial Shareholdings

So far as the Board is aware, the following are the holdings (other than Directors) of more than 3% of the issued share capital of the Company at 22 April 2010.

	Number of shares	% of issued share capital
Fiordland Investment Limited Partnership	21,666,669	17.50
Nordea Bank Danmark AS	8,206,225	6.63
Dexia Bank	7,432,473	6.00
TS Capital Limited	5,575,000	4.50
Richard Hayes	4,535,740	3.65
Promethean Investment Fund LLP	4,469,658	3.61
Mawer Investment Management Limited	4,225,230	3.40

Annual General Meeting

Notice of the Company's Forty Sixth Annual General Meeting is set out on page 12 to 15.

The Directors believe that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders. They intend to vote in favour of each of the resolutions and recommend that shareholders also vote in favour of such resolutions.

The resolutions to be proposed as special business at the meeting are explained below.

Allotment of Shares

At the Company's Annual General Meeting held on 1 July 2009 the Directors were authorised to allot relevant securities up to an aggregate nominal amount not exceeding the then authorised but unissued share capital of the Company. At an Extraordinary General Meeting of the Company held on 4 January 2010 the Directors were further authorised to allot relevant securities up to 55,000,000 shares with an aggregate nominal value of €6,600,000. These authorities expire at the conclusion of this year's Annual General Meeting. In resolution number 11, the Directors are seeking authority for renewal of authority in respect of the current authorised unissued share capital of the Company.

Also at the Company's last Annual General Meeting the Directors were authorised to allot shares in the Company for cash up to a nominal value of €890,936 as if the provisions of Section 23(1) of the Companies (Amendment) Act, 1983 did not apply. This authority expires at the conclusion of this year's Annual General Meeting. Under the Companies (Amendment) Act, 1983, any Ordinary Shares issued for cash must first be offered to existing shareholders unless approval of the ordinary shareholders is obtained that these provisions should not be applied. Your Directors consider it desirable that this authority should be renewed, thereby enabling them to retain the ability to make allotments of

Report of the Directors

ordinary shares for cash, other than by way of rights issues to existing ordinary shareholders. Your Directors believe it appropriate that the authority should be sought for an amount of €900,926, being ten per cent of the nominal amount of the Company's issued share capital at 31 December 2009, to enable it, should the opportunity present itself, to increase the capital base of the Company. The Directors are making the proposal in resolution number 12 which is a special resolution. However, it is not the Directors current intention to use this authority. Approval for this authority is sought until 30 September 2011.

Authority to Purchase Own Shares

At the Company's Annual General Meeting held on 1 July 2009, the Directors were granted authority to make market purchases (within the meaning of Section 212 of the Companies Act, 1990) up to a maximum aggregate number of 7,424,472 ordinary shares, representing ten per cent of the issued ordinary share capital net of repurchases. The Directors were also authorised to re-issue off-market Treasury Shares within defined price ranges. In resolutions number 13 and 14, which are special resolutions, the Directors are seeking approval for renewal of these authorities for 7,507,722 ordinary shares representing ten per cent of the issued share capital of the Company as at 31 December 2009. The Directors are seeking approval for renewal of this authority until 31 December 2011.

Shareholders' Rights Regulation

The Shareholders' Rights (Directive 2007/36/EC) 2009 Regulations provide that Extraordinary General Meetings of the Company (except those convened for the purpose of passing special resolutions) may now be held on giving (at least) 14 days' notice only where (a) the Company has passed a special resolution at its next general meeting (and each subsequent Annual General Meeting) approving the holding of Extraordinary General Meetings on giving (at least) 14 days' notice and (b) the Company offers a facility to vote electronically (which the Articles already provide for through the appointment of proxies electronically).

The Directors consider that it is in the interests of the Company to retain the flexibility to call an Extraordinary General Meeting (except those convened for the purpose of passing special resolutions) on giving (at least) 14 days' notice. Resolution number 15 is a special resolution permitting the Company to call an Extraordinary General Meeting on giving (at least) 14 days' notice. Subject to the passing of the said special resolution, the approval will be effective until the Company's next Annual General Meeting.

Research and Development

The Group continues to research and develop new financial services products (and supporting computer systems) and to improve existing ones.

Political and Charitable Donations

The Group made €39,000 in charitable donations and no political donations during the year.

Report of the Directors

Subsidiary Undertakings

The Group's principal subsidiaries and associates as at the date of this document are listed on page 115 to 118.

Events since the year end

At an Extraordinary General Meeting of the Company held on 4 January 2010 the proposed acquisition of James Hay Holdings Limited was approved. On 7 January 2010 the Company confirmed it had raised €51,150,000 (before expenses) through a Placing and Open Offer of 48,263,932 New Ordinary Shares at €1.05 per share and by the intended allotment of a further 451,627 New Ordinary Shares at €1.05 per share.

On 10 March 2010 IFG UK Holdings Limited, a subsidiary of the Company, acquired the entire issued share capital of James Hay Holdings Limited for cash consideration, paid on completion of £35,000,000 (approximately €38,600,000), plus an additional adjustable amount for net assets. The Financial Services Authority (FSA) approved the transaction on the same day.

On 30 March 2010, the Company issued 395,832 Ordinary Shares to the Employee Benefit Trust on behalf of the Participants in the Long Term Incentive Plan. The market price of these Ordinary shares at date of issue was €1.35 per share.

Other than the above there have been no significant events since the year end.

Statement of Directors' responsibilities

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

Irish Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and have elected to prepare the Company Balance Sheet in accordance with generally accepted accounting practice in Ireland, comprising applicable law and the Financial Reporting Standards in the UK and promulgated by the Institute of Chartered Accountants in Ireland. The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the Group financial statements comply with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

Report of the Directors

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

The Directors are also required by applicable law and the Listing Rules issued by the Irish Stock Exchange, to prepare a Directors' report and reports relating to Directors' remuneration and corporate governance. In accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (the "Transparency Regulations"), the Directors are required to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Company and the Group.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2009 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 the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and the employment of competent persons. The books of account are kept at the registered office of the Company. A copy of these financial statements will be published on the Company's website www.ifggroup.com. The Directors are responsible for the maintenance and integrity of the Group's web site.

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

Directors' statements pursuant to the Transparency Regulations

Each of the directors, whose names and functions are listed on page 18 to 19 of the Directors' Report confirm that, to the best of each person's knowledge and belief:

- the Group financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, prepared in accordance with generally accepted accounting in Ireland, give a true and fair view, the assets, liabilities and financial position of the parent company; and
- the Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

Corporate Governance Statement

The Corporate Governance Statement on pages 30 to 39 is part of the Report of the Directors.

Report of the Directors

Going Concern

After making reasonable enquiries, the Directors have a reasonable expectation that the Group and Company 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.

Auditors

In accordance with Section 160 of the Companies Act, 1963, PricewaterhouseCoopers, Dublin have indicated their willingness to continue in office.

On behalf of the Board

M G Bourke
Chief Executive

P J Moran
Chairman

23 April 2010

Corporate Governance

The Board of IFG Group plc is committed to maintaining the highest standards of corporate governance throughout the Group. This statement sets out in detail how IFG Group has applied the principles set out in section 1 of the Combined Code on Corporate Governance (June 2008) (the "Combined Code"), which was published by the Financial Reporting Council in the UK and adopted by the Irish Stock Exchange.

The Board of Directors

The Board provides leadership and maintains effective control over the activities of the IFG Group. The Board meets on a regular basis and has a formal schedule of matters reserved to it. The Board sets the Group's strategic aims and specifies key developments towards the strategic objectives that are to be achieved by management within an agreed budget.

The Board consists of five executive Directors and seven non-executive Directors (see biographical details on page 18 to 19) and either directly or indirectly through the operation of Committees of Directors and delegated authority, bring an independent judgement on issues of strategy, resources and standards of conduct. The Board has delegated responsibility for the management of the Group to the Group Chief Executive and, through him, to executive Directors and management. The Board has also delegated some additional responsibilities to Committees established by it whose powers, obligations, and responsibilities are set out in written terms of reference.

The executive Directors have extensive experience of the financial services business and are responsible for the operational management of the Group's businesses. This specialist knowledge is backed up by the general business skills of each of the individual Directors involved and by the broadly based skills and knowledge of each of the non-executive Directors.

On appointment, and regularly thereafter, the Directors are briefed in writing and orally by the executive team. Papers are sent to each Director in sufficient time before Board Meetings. The Board is supplied on a timely basis with information in a form and of a quality to enable it to discharge its duties.

A Director may take independent professional advice at the Company's expense. The Group maintains appropriate insurance cover for its Directors, officers and employees, including cover in respect of legal action against its Directors. The Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The full Board meets at least bi-monthly. In addition, the Board Committees established for specific purposes being Audit, Remuneration, Internal Control and Risk and Nomination meet as required.

Corporate Governance

The following table sets out the attendance by Directors at Meeting during the year ended 31 December 2009:

Director	Board	Audit	Remuneration	Internal control and risk	Nomination
Patrick Joseph Moran	7	3	4	-	-
Mark Bourke	6	3	4	5	-
Mark Bogard	5	-	-	-	-
Declan Kenny	6	-	-	-	-
Gary Owens	7	-	-	-	-
Colm Barrington	7	3	3	-	-
John Lawrie	7	2	4	5	-
Donal Lynch	7	3	4	5	-
Frank Ryan	7	-	-	-	-
John Rowan	7	-	-	5	-
Victor Quigley	7	-	-	-	-
Thomas Wacker	5	-	-	3	-
Total Meetings held	**7**	**3**	**4**	**5**	-

Independence of Non-Executive Directors

The Combined Code defines "an independent Director" as one who is "independent in character and judgement, and whether there are relationships or circumstances which are likely to affect, or could appear to affect the Director's judgement".

Joe Moran, the non-executive Chairman, and Tom Wacker and John Lawrie, both non executive Directors, have held the positions of Chairman and non-executive Director for more than nine years, respectively. In addition Mr. Moran holds ordinary shares representing 4.36% of the present issued share capital of the Company. Mr. Priestley, co-opted to the Board on 30 March 2010, represents the interests of Fiordland Investment Limited Partnership, a major shareholder in the Company holding 17.50% of the present issued share capital. These are matters which may appear relevant to the determination as independent Directors under the Code. Having regard to the size of the Company, and the composition of the full Board it is the belief of the Board that the composition of the Board as a whole ensures a sufficiently strong independent contribution from non-executive Directors.

The Articles of Association of the Company currently provide that all Directors are subject to retirement by rotation on the basis that one-third, or the number nearest one-third, of their number retire at each Annual General Meeting.

Corporate Governance

Board Committees

The Board has established four Committees to assist in the execution of its responsibilities. There are:

- the Audit Committee;
- the Remuneration Committee;
- the Internal Control and Risk Committee; and
- the Nomination Committee.

Each of the Committees has written terms of reference that were approved by the Board which set out the Committee's powers, responsibilities and obligations.

The Group Company Secretary acts as secretary to each of the Board Committees. In the view of the Board the Committees have been provided with sufficient resources to undertake their duties and may, where necessary, engage external advisors to support their activities.

Audit Committee

The Audit Committee is comprised solely of non-executive Directors. The Committee is chaired by John Lawrie and the members are Joe Moran and Colm Barrington. The Group Chief Executive, Company Secretary, the Head of Internal Audit and the external auditors normally attend meetings of the Committee. The external auditors have unrestricted access to the Committee Chairman at all times.

The Committee oversees the financial reporting and internal controls, the latter in conjunction with the Internal Control and Risk Committee, and provides a formal reporting link with the Auditors. In particular, it reviews the annual and interim financial statements, company announcements, internal control procedures, accounting policies, compliance with accounting standards, the appointment and fees of external auditors and such other related functions as may arise.

The Committee approves the external auditors Terms of Engagement including the scope of the audit and assesses annually external auditor objectivity and independence taking into account relevant professional and regulatory requirements and the relationship with the audit firm as a whole, including the provision of non-audit services. In particular the Committee considers, annually, reports of the total audit and non-audit fees paid to the Group's external auditors.

The Group has in place a policy governing the conduct of non-audit work by the auditors. Under that policy, the auditors may not perform work where they (i) are required to audit their own services (ii) participate in activities that would normally be undertaken by management (iii) are remunerated through a 'success fee' and (iv) act in an advocacy role for the Group. Other than the aforementioned, the Group does not impose an automatic ban on the Group auditors undertaking non-audit work. The auditors are permitted to provide non-audit work provided they have the necessary skill, competence and integrity to carry out the work and are considered by the Committee to be the most appropriate to undertake such work in the best interests of the Group.

Corporate Governance

The Committee has made arrangements by which the Group's staff may, in confidence, raise concerns about possible improprieties in the matters of financial reporting and other matters.

The Committee shall recommend to the Board that the external auditors shall continue in office.

During the year and up to the date of approval of the Annual Accounts the Audit Committee achieved its responsibilities by working with a structured agenda of matters focused to coincide with key events of the Group's financial reporting cycle, together with standing items that the Committee is required to consider at each meeting. The Audit Committee met its responsibilities by:

- approving the accounting policies of the Group;
- by monitoring and reviewing the integrity of the financial statements and any announcements or judgements they contain including the half year report and the Annual Report, in each case recommending that these be approved by the Board;
- in conjunction with the Internal Control and Risk Committee, receiving reports from Group personnel relating to compliance, internal control and internal audit, such reports providing the Committee with the information required to oversee systems on internal control over financial reporting, overall internal control policies, corporate governance procedures, the system of risk management;
- reviewing the external Auditors' presentation of proposed audit plan and fee proposal and confirmation of their independence; and
- considering management's report of related party matters.

Remuneration Committee

The Remuneration Committee is comprised of three non-executive Directors. The Committee is chaired by Joe Moran and the members are John Lawrie and Colm Barrington. The Company Secretary is in attendance whilst the Group Chief Executive normally attends, on the invitation of the Chairman.

The principal responsibilities of the Committee are to determine the remuneration of the executive Directors and review that of other senior executives in the Group. Salaries are set in relation to industry norms and are designed to attract, retain, motivate and reward executives of suitably high calibre. Group executives may qualify for bonuses determined by the performance of the Group and its business units in relation to challenging objectives and specific budgetary targets.

The Board determines the remuneration of the Chairman and the non-executive Directors. The remuneration of the non-executive Directors reflects the time commitment and responsibilities of the role.

The disclosure of Directors' remuneration is set out in the Directors' Report in accordance with the requirements of the Irish Companies Acts, 1963 to 2009 and with the requirements of the Listing Rules of the Irish Stock Exchange.

Corporate Governance

It is the policy of the Company to grant share options under the terms of the Group's Share Option Schemes to executive Directors and key employees of the Group to encourage identification with Shareholders' interests in general. The number of shares over which options may be granted under these schemes or any other share option scheme during the period of 10 years ending on the relevant date of grant, whether exercised or not, is limited to 10% of the number of shares in issue on the relevant date of grant. Options granted are entirely consistent with the share option schemes rules approved by Shareholders. There was no departure from the Company's policy in the period under review and no change in the policy from the previous year.

The Remuneration Committee and the Board are cognisant of the Share Option and other Incentive Scheme Guidelines issued by the Irish Association of Investment Managers ('IAIM') and are aware that Shares Options granted when added to Awards granted under the Company's Long Term Incentive Plan for selected Directors (approved by Shareholders in September 2006 and which expires on 31 December 2010) may exceed the IAIM guideline of 10% of issued share capital for all share option schemes. At present unexercised Share Options number 4,077,182 shares and Share Awards granted and to be granted under the LTIP number 3,312,500 shares, in aggregate 7,389,682 shares or 5.97% of the present enlarged share capital of the Company.

Internal Control and Risk Committee

The Internal Control and Risk Committee is comprised of three non-executive Directors. The Committee is chaired by John Rowan and the members are John Lawrie and Tom Wacker. The Group Chief Executive, Company Secretary and the Head of Internal Audit normally attend meetings of the Committee.

The Committee assists the Board in fulfilling its oversight responsibilities for Corporate Governance by evaluating business and reputational risks, by reviewing the systems of internal controls over business operations and by reviewing the Company's processes for monitoring compliance with laws, regulations and codes of conduct. The Committee liaises with the Audit Committee as appropriate.

The evaluation of business risk is conducted through a formal process of risk control assessment review over each trading subsidiary company in each of the operating segments under risk headings, including, *inter alia*, strategic, regulatory, tax, legal, financial, business processes, and technology and management information systems.

Corporate Governance

Nomination Committee

The Nomination Committee is comprised of three non-executive Directors. The Committee is chaired by Joe Moran and the members are John Lawrie and Colm Barrington. The Group Chief Executive and Company Secretary normally attend meetings of the Committee.

The Nomination Committee is established to carry out a formal selection process of candidates and to make recommendations to the Board on all new Board appointments (having due regard to the provisions of the Articles of Association of the Company regarding the appointment of Directors). The Committee shall, before an appointment is made, prepare a description of the role and capabilities required for a particular appointment; consider candidates from a wide range of backgrounds and consider candidates on merit against objective criteria; and keep under review, together with the full Board, the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace. When deemed appropriate, in relation to the proposed appointment of a non-executive Director, the Nomination Committee may employ the services of an external search consultant or the use of open advertising, or both.

The Nomination Committee normally meets annually, or as needed. Whilst negotiations for the purchase of James Hay Holdings Limited were taking place during the latter months of the year the Board considered that changes to its membership would be better undertaken when that process was complete. Accordingly the Nomination Committee did not meet during the year ended 31 December 2009.

Relations with Shareholders

The Company places considerable importance and puts significant effort into communications with shareholders. The Group Chief Executive meets regularly with institutional shareholders and brokers catering for private shareholders, where an ongoing programme of dialogue and meetings deals with a wide range of relevant matters including strategy, performance, management and governance are discussed. The Combined Code suggests that the senior independent non-executive Director should attend meetings with major shareholders and that major shareholders should be offered the opportunity to meet with new non-executive Directors, in order to develop a balanced understanding of their issues and concerns. To a limited extent this had been followed with occasional meetings with significant shareholders involving the Chairman. The Group does not believe that given its size, it is necessary to implement these code provisions on an ongoing basis. Instead, the Group Chief Executive reports to the Board on meetings with shareholders and brokers. The Chairman is available to shareholders if contact through the normal communication channels is inappropriate. At its Annual General Meeting, the Company complies with the provisions of the Combined Code relating to the disclosure of proxy votes and the separation of resolutions. The outcome of General Meetings of the Company, including voting results, is published on the Company's website following conclusion of the meeting.

The Directors believe the Annual Report and accounts, interim report and business review, and other shareholder communications, provide a balanced and, in the context of the complexities imposed by modern financial accounting rules, an understandable assessment of the Company's financial position and prospects.

Corporate Governance

Description of the operation of the Shareholders' Meeting

The board of Directors use the Annual General Meeting ('AGM') to communicate with Shareholders and to provide the Shareholders with a mechanism for participation. Directors of the Company, including the Chairman and CEO, attend the AGM and address questions raised by the Shareholders.

The powers and rights of the Shareholders at the AGM include:

- Approval of the annual accounts;
- Approval of the annual dividend recommended by the Directors;
- Authorisation of the Directors to agree the remuneration of the auditors;
- Approval of the election of members of the board of Directors; and
- Approval of special and ordinary resolutions tabled by the Directors.

Performance evaluation

In addition to their statutory responsibilities all non-executive Directors have specific responsibility of attending at Board Meetings and, where appropriate, membership of the Board sub-committees. Regular contact and availability to the Chairman and the Group Chief Executive for advice and ideas remain critical. Active participation and contribution at Board Meetings is encouraged.

The Chairman is a non-executive Director and carries the same responsibilities as all his non-executives colleagues. However, as well as conducting Board Meetings and being a member of sub-committees, he is the one constant in the management of Board affairs. He is responsible for the leadership of the Board and ensuring its continued effectiveness in carrying out its duties and setting its agenda. He is also responsible for ensuring that all Directors receive accurate, timely and clear information. He ensures that new Directors receive appropriate induction on joining the Board. He facilitates the effective contribution of his non-executive colleagues and ensures constructive relationships exist between executive and non-executive Directors.

It is the intention to introduce a formal performance evaluation of the Board, its committees and individual Directors. The Chairman would intend to act on the results of such performance evaluation by recognising the overall strengths and weaknesses of the Board and of individual members, and, where appropriate, to seek and appoint new members of the Board.

Corporate Governance

Internal Control and management of risk

The Board have established procedures necessary to implement the requirements of the Combined Code relating to internal control as reflected in the September 1999 guidance "Internal Control: Guidance for Directors on the Combined Code" (the Turnbull Guidance) and the Revised Guidance for Directors on the Combined Code (October 2005), and the updated version of the Combined Code (June 2008).

The Board has overall responsibility for the Group's system of internal control. The system is designed to provide reasonable assurance of the safeguarding of assets and of shareholders' investment and the reliability of financial information. Any such system can, however, provide only reasonable and not absolute assurance of these matters.

The Group adopts a prudent risk strategy weighing opportunities for potential gain against threats to its overall business objectives and profitability. The senior management of the Group addresses the opportunities and uncertainties relating to the business activities of the Group. The risk management process consists of the identification, evaluation and control of risks, which could threaten the achievement of the Group's strategic, operational and financial objectives. The Group seeks to have in place the staff, processes and systems to (i) identify and understand the risks in the businesses (ii) select the appropriate risks to accept and (iii) avoid inappropriate risks.

The Group has an established system of internal control and risk management systems in relation to the Group's financial reporting process and the Group's process for preparation of consolidated accounts. These systems include policies and procedures to facilitate the maintenance of records that accurately and fairly reflect transactions, provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with International Financial Reporting Standards ('IFRS') and that require reported data to be reviewed and reconciled.

The Board is responsible for the risk management framework and has delegated to the Internal Control and Risk Committee, in conjunction with the Group Chief Executive, the segmental Directors and the Head of Risk the authority to approve the risk framework of the operating subsidiaries. The Board receives, as an ongoing part of the reporting process of management information, regular updates on the key risks and issues. Within each business unit the Boards of the principal operating companies oversee the management of strategic risk and receive monthly operational and financial risk reports.

Corporate Governance

The principal components of the internal control and risk management process are:

(i) Formal approval by the Board of matters reserved for their consideration including, *inter alia*, acquisitions and disposals, business strategy, treasury policies, specific risk management policies including insurance, substantial commitments including the granting of security and approval of accounts.

(ii) A detailed formal budgeting process for all Group businesses, including for capital expenditure, is undertaken annually and results in a Group budget, which is approved by the plc Board. For each business the actual performance is reported monthly to the Directors of the Group which enables progress against budget and longer term objectives to be monitored, trends to be evaluated and variances to be acted upon. Group forecasts for the year are updated regularly.

(iii) An organisational structure which defines authority limits and reporting procedures to management and the plc Board. Professional and experienced staff of the necessary calibre to fulfill their allotted responsibilities are appointed, both by recruitment and promotion.

(iv) A central risk and internal audit function which carries out internal audit activities across the Group. It operates under an internal audit charter which covers (i) the purposes and objectives of the Group's internal audit function (ii) its authority and scope (iii) independence issues, (iv) standards of professionalism, performance monitoring, planning and reporting. The internal audit function also co-ordinates with a number of the segmental units who undertake control reviews on companies within their segments. At each meeting of the Internal Control and Risk Committee, and where appropriate to the Audit Committee, the Head of Risk submits a formal report on segmental reviews carried out in the period, including an update on progress against completion of the annual plan and a summary of the findings of the reviews undertaken.

(v) Management control regimes have been implemented at either segmental or subsidiary company level and govern all areas of internal control and risk management. These are supplemented by appropriate Group wide control processes. Under this regime performance is reviewed periodically. Segmental and subsidiary company Boards regularly review relevant and timely financial information that is produced from the management information systems across the Group. Executive Directors regularly attend meetings of subsidiary companies at all Group locations and a review of procedures and practices takes place at these locations or at the Group centre.

(vi) The Group does not maintain common detailed accounting or operations manuals because of the diverse operations carried out by its segments, through guidance is issued from the Group centre. Where applicable, segments maintain their own operational manuals. Regular control review work is undertaken directly by the segments as part of their control process.

(vii) Group finance department manages the financial reporting processes to ensure the information which enables the Board to discharge its responsibilities, including the production of half year and annual accounts, is provided on a timely basis. It is supported by a network of finance managers throughout the Group who have the responsibility and accountability to provide information in keeping with the Group policies, procedures and internal best practice. Throughout the year the Group produces 'latest estimates' to predict the likely year end position. The latest estimates are compared with the annual budget and enables the Board to check performance and, where appropriate, to challenge sections of the business if actual or anticipated performance varies significantly from the annual budget.

Corporate Governance

The Directors confirm they have reviewed the effectiveness of the Group's system of internal controls during the year ended 31 December 2009, and such controls remain in place to 23 April 2010. The review covered all material controls, including financial, operational and compliance controls and risk management systems. The Board has not identified any significant failings or weaknesses during the review.

In accordance with the guidance laid down by the Financial Reporting Council there is ongoing review of the processes of identification, evaluation and management of the significant risks faced by the Group, such risk processes being in place throughout the year 2009 and up to 23 April 2010, the approval date of the financial statements.

Compliance with Code

The Directors confirm that the Company has reviewed the provisions of the Combined Code (June 2008) and is in compliance therewith save for:

(i) Meetings with major shareholders have not been held with the senior non-executive Director present, such meetings being held with the Group Chief Executive and, to a limited extent, with the Chairman present, as explained above; and

(ii) The non-executive Chairman Joe Moran and a 4.36% shareholder in the Company, has held the position of Chairman since 1989.

The Company considers that position is acceptable having regard to the size of the Company and the composition of the Board as a whole.

Independent Auditor's Report on Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IFG GROUP PLC

We have audited the Group financial statements of IFG Group plc for the year ended 31 December 2009 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes. These Group financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Report of the Directors that is described as having been audited.

We have reported separately on the Company financial statements of IFG Group plc for the year ended 31 December 2009.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with applicable Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, and whether the Group financial statements and that part of the Report of the Directors described as having been audited have been properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009 and Article 4 of the IAS Regulation. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit. We also report to you our opinion as to whether the Directors' report is consistent with the financial statements.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the Combined Code (June 2008) specified for our review by the Listing Rules of the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

Independent Auditor's Report on Consolidated Financial Statements

We read the other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. The other information comprises only the Chairman's Statement, the Chief Executive's Review, the unaudited part of the Report of the Directors and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and generally accepted in Ireland. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group financial statements and that part of the Report of the Directors described as audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Group financial statements.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2009 and of the profit and cash flows of the Group for the year then ended; and
- the Group financial statements and that part of the Report of the Directors described as being audited have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and Article 4 of the IAS Regulation.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the information given in the Report of the Directors is consistent with the Group financial statements.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

Dublin

23 April 2010

Consolidated Income Statement

Year Ended 31 December 2009

	Notes	2009 €'000	2008 Restated €'000
Continuing operations			
Revenue	6	**93,287**	105,087
Cost of sales		**(75,405)**	(85,658)
Gross profit		**17,882**	19,429
Administrative expenses		**(7,646)**	(3,956)
Other income		**-**	625
Operating profit	6	**10,236**	16,098
Analysed as:			
Operating profit before exceptional items		**11,391**	16,098
Exceptional redundancy costs	7	**(1,155)**	-
Operating profit		**10,236**	16,098
Finance income	12	**713**	1,027
Finance cost	12	**(2,229)**	(3,926)
Share of loss of associate	19	**(79)**	-
Profit before income tax		**8,641**	13,199
Income tax expense	14	**(1,131)**	(1,675)
Profit for the year from continuing operations		**7,510**	11,524
Discontinued operations			
Loss for the year from discontinued operations (net of income tax)	8	**(1,102)**	(1,100)
Profit for the year		**6,408**	10,424
Profit for year attributable to:			
Owners of the parent company		**6,590**	11,365
Minority interest		**(182)**	(941)
		6,408	10,424

Earnings per share from continuing and discontinued operations attributable to the equity owners of the company during the year:

	Notes	2009	2008
Basic earnings per ordinary share (cent)			
From continuing operations		**10.28**	17.21
From discontinued operations		**(1.47)**	(1.52)
Total	15	**8.81**	15.69
Diluted earnings per ordinary share (cent)			
From continuing operations		**10.05**	16.51
From discontinued operations		**(1.44)**	(1.46)
Total	15	**8.61**	15.05

On behalf of the Board:

P J Moran
(Chairman)

M G Bourke
(Chief Executive)

Consolidated Statement of Comprehensive Income

Year Ended 31 December 2009

	2009 €'000	2008 €'000
Profit for the year	**6,408**	10,424
Other comprehensive income		
Currency translation difference	**4,107**	(17,963)
Net investment hedge	**(2,639)**	-
Total comprehensive income for the year	**7,876**	(7,539)
Total comprehensive income attributable to:		
- Owners of the parent company	**8,061**	(6,607)
- Minority interest	**(185)**	(932)
	7,876	(7,539)

Consolidated Balance Sheet

As at 31 December 2009

	Notes	2009 €'000	2008 €'000
ASSETS			
Non-current assets			
Property plant & equipment	17	**4,977**	4,507
Intangible assets	18	**89,930**	95,699
Retirement benefit surplus	27	**68**	-
Deferred income tax assets	20	**1,003**	1,315
Available-for-sale financial assets	22	**113**	105
Other non-current assets	23	**2,360**	-
Total non-current assets		**98,451**	101,626
Current assets			
Trade and other receivables	24	**40,710**	38,884
Current income tax asset		**-**	147
Restricted cash - held in escrow	25	**6,662**	12,211
Cash and cash equivalents	25	**22,310**	22,540
Total current assets		**69,682**	73,782
Assets of disposal group classified as held for sale	8	**357**	-
		70,039	73,782
Total assets		**168,490**	175,408
LIABILITIES			
Non-current liabilities			
Borrowings	26	**54,723**	56,619
Deferred income tax liabilities	20	**4,393**	4,992
Retirement benefit obligations	27	**-**	231
Provisions for other liabilities	28	**860**	10,314
Total non-current liabilities		**59,976**	72,156
Current liabilities			
Trade and other payables	29	**35,741**	29,371
Current income tax liabilities		**1,252**	1,440
Borrowings	26	**11,691**	12,730
Provisions for other liabilities	28	**8,627**	14,061
Total current liabilities		**57,311**	57,602
Liabilities of disposal group classified as held for sale	8	**262**	-
		57,573	57,602
Total liabilities		**117,549**	129,758
Net Assets		**50,941**	45,650
EQUITY			
Share capital	30	**9,009**	8,909
Share premium	30	**57,668**	60,025
Other reserves	31	**(19,822)**	(22,735)
Retained earnings		**3,241**	(1,579)
		50,096	44,620
Minority interest	32	**845**	1,030
Total equity		**50,941**	45,650

On behalf of the Board:

P J Moran
(Chairman)

M G Bourke
(Chief Executive)

Consolidated Cash Flow Statement

Year Ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Cash flows from operating activities			
Cash generated from operations	35	**17,112**	14,740
Interest received		**697**	738
Income taxes paid		**(1,453)**	(2,912)
Net cash generated from operating activities		**16,356**	12,566
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,953)**	(1,169)
Sale of property, plant and equipment		**2**	3
Purchase of subsidiary undertakings net of cash acquired		**-**	(30,288)
Deferred and contingent consideration on prior year acquisitions		**(3,499)**	(6,509)
Purchase of intangibles		**(976)**	(2,579)
Dividend received from associate		**-**	241
Sale of available-for-sale financial assets		**-**	100
Movement on other non-current assets		**(2,343)**	(127)
Net cash used in investing activities		**(8,769)**	(40,328)
Cash flows from financing activities			
Dividends paid		**(1,770)**	(2,772)
Interest paid		**(1,796)**	(3,165)
Proceeds from issue of share capital		**145**	7,459
Proceeds from long-term borrowings		**4,600**	33,300
Repayment of debt		**(9,145)**	(5,690)
Payment of finance lease liabilities		**(46)**	(44)
Net cash (used)/generated in financing activities		**(8,012)**	29,088
Net (decrease)/increase in cash and cash equivalents		**(425)**	1,326
Cash and cash equivalents at the beginning of the year		**21,284**	24,291
Effect of foreign exchange rate changes		**1,089**	(4,333)
Cash and cash equivalents at end of year		**21,948**	21,284

Cash and cash equivalents for the purpose of the statement of cash flows are comprised of cash and short term deposits net of bank overdrafts that are repayable on demand. For the purpose of the cash flow statement cash and cash equivalents include the following:

	Notes	2009 €'000	2008 €'000
Cash and short term deposits			
- as disclosed on the balance sheet		**22,310**	22,540
- included in the assets of disposal group held for sale	8	**165**	-
Bank overdrafts		**(527)**	(1,256)
	36	**21,948**	21,284

On behalf of the Board:

P J Moran
(Chairman)

M G Bourke
(Chief executive)

Consolidated Statement of Changes in Equity

	Share capital €'000	Share premium €'000	Other reserves €'000	Retained earnings €'000	Attributable to equity holders €'000	Minority interest €'000	Total equity €'000
At 1 January 2008	8,360	53,032	(6,247)	(10,172)	44,973	1,962	46,935
Total comprehensive income for 2008	-	-	(17,972)	11,365	(6,607)	(932)	(7,539)
Dividends	-	-	-	(2,772)	(2,772)	-	(2,772)
Issue of share capital	549	6,993	(83)	-	7,459	-	7,459
Share based payment compensation :							
- Value of employee services - share options	-	-	317	-	317	-	317
- Value of employee services - LTIP	-	-	1,250	-	1,250	-	1,250
At 31 December 2008	**8,909**	**60,025**	**(22,735)**	**(1,579)**	**44,620**	**1,030**	**45,650**
Total comprehensive income for 2009	-	-	1,468	6,590	8,058	(185)	7,873
Dividends	-	-	-	(1,770)	(1,770)	-	(1,770)
Issue of share capital	100	127	(82)	-	145	-	145
Write off of expenses relating to share placement post year end	-	(2,484)	-	-	(2,484)	-	(2,484)
Share based payment compensation :							
- Value of employee services - share options - continuing	-	-	261	-	261	-	261
- Value of employee services - share options - discontinued	-	-	16	-	16	-	16
- Value of employee services - LTIP	-	-	1,250	-	1,250	-	1,250
At 31 December 2009	**9,009**	**57,668**	**(19,822)**	**3,241**	**50,096**	**845**	**50,941**

Notes to the Consolidated Financial Statements

1. General information

IFG Group plc and its subsidiaries (together the Group) are engaged in the provision of financial services and corporate and trustee services. The Company is a public company, listed on the Irish Stock Exchange (ISE), and is incorporated and domiciled in the Republic of Ireland. The address of its registered office is IFG House, Booterstown Hall, Booterstown, County Dublin, Ireland.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The consolidated financial statements of IFG Group plc for the year ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), IFRIC interpretations and those parts of the Companies Acts 1963 to 2009 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value accounting for certain available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also 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 consolidated financial statements are disclosed in note 4.

2.2 Consolidation

These financial statements are the consolidated financial statements of IFG Group plc, a company registered in the Republic of Ireland and its subsidiaries ("IFG").

Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying shareholdings of more than 50% of the voting rights. Subsidiaries acquired during the year are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The Group availed of the IFRS 1 exemption in relation to business combinations and has not restated business combinations prior to the date of transition. Subsequent to the transition date the following policy has been adopted.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. Adjustments to the business combination's cost that are contingent on future events are included in the combination's cost at the acquisition date if the adjustment is probable and has been reliably measured. Adjustments to the initial accounting for a business combination are recognised within twelve months of the acquisition date and are effected as if they were identified at the acquisition date.

Notes to the Consolidated Financial Statements

The interest of minority shareholders is calculated based on fair values of assets and liabilities at acquisition date.

The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Inter-company balances and transactions and resulting unrealised gains are eliminated in full. Unrealised losses are also eliminated but considered as a possible impairment indicator of the asset acquired. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and minority interest

Minority interests represent the proportion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent company. The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interest result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

Associates

Associates are entities, not being subsidiary undertakings, over which the Group has the ability to exercise significant influence over the operating and financial policies but not control, generally accompanying a shareholding of between 20% and 50% of voting rights.

Investments in associates and are initially recorded at cost and are accounted for using the equity method of accounting. The Group's share of its associates and post-acquisition profits or losses are recognised in the income statement and its share of post acquisition movements in reserves are recognised in reserves. When the Group's share of losses in the undertaking equals or exceeds its interest in the undertaking, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. The results of associates are included from the effective date on which the Group's significant influence arises until the date on which such significant influence ceases. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses in associates are recognised in the income statement.

2.3 Segment reporting

A segment is a distinguishable component of the Group that is engaged in provision of services to earn revenue and incurs expenses. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer as he makes the strategic decisions for the Group and allocates resources to each segment on the basis of segment information.

Notes to the Consolidated Financial Statements

2.4 Foreign currency translation

Items recorded in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Euro (€), which is the company's functional and presentation currency rounded to the nearest thousand.

Transactions denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. All translation differences are taken to the consolidated income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity together with the exchange difference on the net investment in the foreign entity until the disposal of the net investment, at which time they are recognised in the consolidated income statement.

Results of subsidiary undertakings with different functional currency to the parent are translated into Euro using average exchange rates during the year (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates prevailing on the transaction dates). The related balance sheets have been translated using the rates of exchange ruling at the end of the reporting period. Adjustments arising on translation of the results of subsidiary undertakings with different functional currency to the parent at average rates, and on the restatement of the opening net assets at closing rates, are dealt with in a separate translation reserve within equity, net of differences on related currency borrowings. All other translation differences are taken to the consolidated income statement including any non-qualifying net investment hedges.

The cumulative currency translation differences arising prior to transition to IFRS have been set to zero for the purposes of ascertaining the gain or loss on disposal of a foreign operation. This was achieved by the Group electing to avail of the IFRS transitional exemption. On disposal of a foreign operation, accumulated currency translation differences are recognised in the income statement as part of the overall gain or loss on disposal. Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation, are expressed in the functional currency of the foreign operation and are recorded at the exchange rate at the date of the transaction and subsequently retranslated at the applicable closing rates.

Notes to the Consolidated Financial Statements

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. At the date of transition to IFRS the Group availed of the exemption in IFRS 1 and elected to use previous revaluations of property as deemed cost given that they were broadly comparable to fair value.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. The carrying amount of the replaced part is derecognised. All repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment are depreciated over their useful economic life on a straight line basis at the following rates:

Buildings	2%
Fixtures & Fittings	10-25%
Motor vehicles	20-25%
Computer equipment	20-33%

The residual value and useful lives of property, plant and equipment are reviewed and adjusted if appropriate at each end of the reporting period.

On disposal of property, plant and equipment the cost and related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the income statement and shown in other income/(losses).

2.6 Contingent purchase consideration and earnout obligations

To the extent that contingent purchase and earnout obligations are payable after the end of the reporting period, the carrying value on the balance sheet is the net present value of the obligation arrived at using an appropriate pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. Adjustments to the fair value of the obligation arising from changes in estimates are accounted for as changes to the cost of the acquisition and reflected in goodwill.

2.7 Intangible assets

Goodwill

Goodwill on acquisitions prior to the date of transition to IFRS has been retained at the previous Irish GAAP amount being its deemed cost subject to being tested for impairment. Goodwill written off to reserves under Irish GAAP prior to 1998 had not been reinstated and is not included in determining any subsequent gain or loss on disposal.

Goodwill on acquisitions is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition. As at the acquisition date, any goodwill acquired is allocated to the group of cash-generating units expected to benefit from the business combination. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Impairment losses on goodwill are not reversed.

Notes to the Consolidated Financial Statements

Where goodwill forms part of a cash-generating unit and part of the operation within that unit are disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the cash-generating unit retained.

Computer software

Computer software is stated at cost, less amortisation and provisions for impairment, if any. Costs incurred on acquisition of computer software are capitalised as are costs directly related to developing the programs where the software supports a business system and the expenditure leads to the creation of a durable asset. Costs associated with maintaining software are recognised as an expense when incurred. Capitalised computer software is amortised over 3 to 6 years.

Other intangibles

Intangible assets are stated at cost less provisions for amortisation and impairment. Customer relationships acquired as part of a business combination are amortised over their estimated useful lives from the time they are first available for use. The estimated useful lives are determined at acquisition date and currently range from 7 to 10 years.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment when events or circumstances indicate that the carrying value may be impaired or may not be recoverable. An impairment loss is recognised to the extent that the carrying value of the assets exceeds its recoverable amount. 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 flows (cash generating units).

2.9 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

Notes to the Consolidated Financial Statements

2.10 Financial assets

The Group classifies its financial assets in the following categories: loans and other receivables, available-for-sale financial assets and held to maturity financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They normally arise when the Group provides services directly to a customer with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and other receivables are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the counterparty, delinquency in payments are considered to be indicators of a receivable being impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement in administrative expenses. When a trade receivable is uncollectible, it is written off against the provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Available-for-sale financial asset

Available-for-sale financial assets are non-derivatives that are either classified in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

Held to maturity financial assets

Restricted cash comprises cash held by the Group but which is ring fenced or used as security for specific arrangements, and to which the Group does not have unfettered access. Restricted cash is classified as held to maturity and carried at amortised cost using the effective interest method.

All financial assets are initially recorded at fair value, including transaction costs. All purchases and sales are recognised on the settlement date. Held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recorded in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. Financial assets are derecognised when the rights to receive cash flows form the assets have expired or have been transferred and the Group has transferred substantially all risk and rewards of ownership.

Financial assets are assessed for impairment at each end of the reporting period. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. For such assets, any impairment charge is the amount currently carried in equity for the difference between the original cost, net of any previous impairment, and the fair value.

Notes to the Consolidated Financial Statements

Options to acquire interests in other entities

The Group assesses all options to acquire interests in an entity that, if exercisable would give control of the entity to the Group. Where such options are exercisable the Group consolidates the entity. Options to acquire an interest in an entity which are not currently exercisable are accounted for at cost net of any adjustments for impairment.

2.11 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. They are however shown as part of borrowings in current liabilities on the balance sheet.

2.12 Leases

Finance leases, which transfer to the Group substantially all the risks and benefits to ownership of the leased asset, are capitalised at the inception of the lease at the fair value of the leased asset or if lower the present value of the minimum lease payments. The corresponding liability net of interest charges to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation. Finance charges are charged to the income statement as part of finance costs over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

2.13 Borrowings

All borrowings are initially recognised at fair value, net of transaction costs incurred.

After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any transaction costs, and any discount or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised or impaired, as well as through the amortisation process.

Borrowings are classified as current unless there is an enforceable entitlement to repay balances more than twelve months after the end of the reporting period in which case they are classified as non-current.

Senior unsecured notes are regarded as compound financial instruments, consisting of a liability component and an equity component. The fair value of the liability component is estimated using the prevailing market interest rate at the date of issue for similar non-convertible debt. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainders of the proceeds are allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Notes to the Consolidated Financial Statements

2.14 Current and deferred income tax

The income tax expense in the income statement represents the sum of the tax chargeable on profits for the year and deferred tax.

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit before income tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using rates that have been enacted or substantially enacted at the end of the reporting period. Any taxation not payable within twelve months is disclosed as a non-current liability.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply in the year when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates except to the extent that the timing of the reversal is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit would be available to allow all or part of the deferred income tax asset to be utilised.

2.15 Employee benefits

(A) Pension assets/obligations

The Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

Defined Contribution Plans

A defined contribution plan is a pension plan where the Group pays a fixed amount to a separate entity. The Group has no further legal or constructive obligations to pay further contributions once the fixed contributions have been paid.

Obligations to the defined contribution pension plans are recognised as an expense in the income statement as incurred.

Defined Benefit Plan

A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans typically define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Notes to the Consolidated Financial Statements

The Group operates a defined benefit pension scheme via its subsidiary IFG Management Limited for eligible employees which require contributions to be made to separately administered funds. The Group's net obligation in respect of the defined benefit pension scheme is calculated, by an external actuary, who estimates the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan asset is deducted together with adjustments for unrecognised actuarial gains or losses and past service costs. The discount rate employed in determining the present value of the scheme's liabilities is determined by reference to market yields at the end of the reporting period on high quality corporate bonds for a term consistent with the currency and term of the associated post-employment benefit obligations.

Actuarial gains and losses comprise the effects of differences between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions. The Group has elected to use the "corridor approach" which refers to actuarial gains and losses in excess of a threshold being the higher of 10% of the fair value of the plan assets or 10% of the present value of the defined benefit obligations at the end of the previous reporting period being charged or credited to income over the employees' expected average remaining working lives. Other than these, the actuarial gain or loss is not recognised.

The net surplus or deficit arising in the Group's defined benefit pension scheme is shown within either non-current assets or liabilities on the face of the Group Balance Sheet and includes adjustments for unrecognised actuarial gains or losses and past service costs.

Past service costs are recognised as an expense over the average period until the benefits become vested, in which case the past service costs are recognised as an expense immediately. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

The amounts charged to the income statement in respect of defined benefit plans consist of current service cost, interest cost, the expected return of any plan assets, actuarial gains and losses (under the "corridor approach"), the effect of any curtailments or settlements and past service costs.

(B) Share based payment compensation

In line with the transitional arrangements set out in IFRS 2, "Share Based Payment", the recognition and measurement principles of this standard have been applied only in respect of share entitlements granted after 7 November 2002 and not vested by 1 January 2005.

The Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the equity instrument granted is recognised as an employee expense in the income statement with a corresponding increase in equity. The fair value of share options is determined using the Black-Scholes model while the fair value of shares awarded is estimated as the market price of the shares at the grant date. The total amount to be expensed over the vesting period is determined by reference to the fair value of the equity instrument granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. At each end of the reporting period, the entity revises its estimates of the number of equity instruments that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received by the company when share options are exercised are credited to share capital (nominal value) and share premium.

Notes to the Consolidated Financial Statements

The Group does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

2.16 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits would be required to settle the obligation and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognised as an interest expense.

2.17 Revenue recognition

Revenue comprises commissions from the intermediation of financial services, provision of trustee & corporate services and actuarial and pensioner trustee services. Revenue is recognised, when, and to the extent that, the Group has obtained the right to consideration in exchange for the services that it provides.

Accordingly, initial commissions from the intermediation of financial services are recognised as revenue on the effective inception date of the product or service, subject to a reduction for expected clawback where commission is earned on an indemnity basis. Renewal or trail commissions are recognised as revenue when the contingent events which give rise to the right to receive those commissions, typically renewal or persistency, have occurred. In certain circumstances, the Group may obtain a right to consideration when some but not all of its contractual obligations have been fulfilled. In these circumstances, the Group recognises revenue to the extent that a right to consideration has been obtained in relation to services provided up to that point.

Where the Group receives payment from customers in advance of the performance of its contractual obligations, a liability equal to the amount received is recognised as deferred income. That liability is reduced and the amount of the reduction recognised as revenue, when and as the Group obtains the right to consideration in exchange for the contracted service it provides.

2.18 Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects are recognised as intangible assets when the following criteria are fulfilled:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset to use it;
- There is an ability to use the asset;
- It can be demonstrated how the intangible assets will generate future economic benefits;
- Adequate technical, financial and other resources to complete the development are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Notes to the Consolidated Financial Statements

Other development expenditure that does not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recognised as intangible assets and are amortised from the point at which the assets are ready for use on a straight-line basis over its useful life, and not to exceed five years.

Development assets are tested annually for impairment.

2.19 Finance cost and finance income

Finance cost comprises interest payable on borrowings calculated using the effective interest rate method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method. Unwind of the discount rate on provisions is included as finance cost.

Finance income includes interest receivable on funds invested and is recognised in the income statement on a time proportion basis, using the effective interest method.

2.20 Share capital

Ordinary shares that have been issued are classified as equity and confer on the holder a residual interest in the assets of the Group after deducting all of its liabilities. 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. Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's owners until such shares are cancelled, reissued or disposed. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's owners.

2.21 Dividends

Dividends on ordinary shares are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends declared after the end of the reporting period are disclosed in note 16 in the financial statements.

2.22 Offset

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously.

2.23 Accounting for hedging activities

Hedging

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessments, both at hedge inception and on an ongoing basis, of the effectiveness of the hedge in offsetting changes in the carrying value of the net investments.

Notes to the Consolidated Financial Statements

Net investment hedges

Where foreign currency borrowings are designated as a hedge instrument and provide an effective hedge against a net investment in a foreign operation, any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Cumulative gains and losses remain in equity until disposal of the net investment in the foreign operation at which point the related differences are transferred to the income statement as part of the overall gain or loss on sale.

2.24 Exceptional items

The Group has adopted an income statement format, which seeks to highlight significant items within the Group results for the year. The purpose of this is to highlight significant items within the Group results for the year. Such items include restructuring, impairment of assets, profit or loss on disposal or termination of operations, litigation settlements and profit or loss on disposal of investments. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, should be disclosed in the income statement and/or notes as exceptional items.

2.25 Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business of geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classifications as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

2.26 Updates to technical pronouncements

(a) New and amended standards adopted by the Group

The Group has adopted the following new and amended IFRSs as of 1 January 2009, which had a significant effect on the presentation of the Group's results:

- IAS 1 (Revised), 'Presentation of Financial Statements' (effective for financial periods beginning on or after 1 January 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it is also in conformity with the revised standard. As the changes in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

Notes to the Consolidated Financial Statements

- IFRS 8 'Operating Segments', which is effective for annual periods beginning on or after 1 January 2009, sets out the requirements for disclosure of financial and descriptive information about an entity's operating segments in the Group financial statements, its products and services, the geographical areas in which it operates, its major customers and has replaced IAS 14 Segment Reporting. The adoption of this standard has resulted in a change in the segments disclosed to be consistent with the way in which the Chief Operating Decision Maker monitors performance in order to allocate resources. See note 6.

- IFRS 5 (Amendment), "Measurement of non-current assets (or disposal groups) classified as held-for-sale". The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (amendment) from 1 January 2010. This does not have any significant effect on the results for the year as it relates to disclosures.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting period's beginning on or after 1 January 2010 or later periods, but the Group has not early adopted them:

- IFRIC 17, 'Distributions of Non-cash Assets to Owners' (effective on or after 1 July 2009). The interpretation is part of the IASB's annual improvements project published in April 2009. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non cash assets to shareholders either as a distribution or reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The Group will apply IFRIC 17 from 1 January 2010. It is not expected to have a material impact on the Group's financial statements.

- IFRS 3 (Revised), 'Business Combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Goup will apply IFRS 3 (Revised) prospectively to all business combinations from 1 January 2010. If IFRS 3 (revised) had been early adopted in 2009 the profit for the year would have been reduced by €1,215,000 with a corresponding reduction in net assets.

- IAS 38 (Amendment), "Intangible Assets". The amendment is part of the IASB's annual improvements project published in April 2009 and the Group will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

- IAS 1 (Amendment), "Presentation of financial statements". The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarifications that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterpart to settle in shares at any time. The Group will apply IAS 1 (amendment) from 1 January 2010. It is not expected to have a material impact on the Group's financial statements.

- IFRS 2 (Amendment), "Group cash-settled and share-based payment transactions". In addition to incorporating IFRIC 8 "Scope of IFRS 2" and IFRIC 11, "IFRS 2 - Group and treasury share transactions", the amendments expand on the guidance in IFRIC 11 to address the classification of Group arrangements that were not covered by that interpretation. The new guidance is not expected to have a material impact on the Group's financial statements.

- IAS 39 "Scope exemption for business combination contracts" (effective for periods beginning on or after 1 January 2010). Amendments to the scope exemption in paragraph 2(g) of IAS 39 to clarify that:

  (a) it only applies to binding (forward) contracts between an acquirer and a vendor in a business combination to buy an acquiree at a future date;

  (b) the term of the forward contract should not exceed a reasonable period normally necessary to obtain any required approvals and to complete the transaction; and

  (c) the exemption should not be applied to option contracts (whether or not currently exercisable) that on exercise will result in control of an entity, nor by analogy to investments in associates and similar transactions.

  This is not expected to have a material impact on the Group's financial statements.

- IFRIC 18, 'Transfer of assets from customers', effective for annual periods starting on or after 31 October 2009, which clarifies the accounting for arrangements where an item of property, plant and equipment, that is provided by the customer, is used to provide an ongoing service. The Group will apply IFRIC 18 from 1 January 2010. It is not expected to have any impact on the Group's financial statements.

- Amendment to IAS 32 on classification or rights issues: The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Prior to the amendment, such rights issues were accounted for as derivative liabilities. The amendment states that, if such rights are issued pro rata to an entity's existing shareholders for a fixed amount of any currency, they should be classified as equity, regardless of the currency in which the exercise price is denominated. The Group will apply the amendment from 1 January 2011. The Group is currently assessing the impact of this amendment.

Notes to the Consolidated Financial Statements

3. Financial and Capital risk management

Financial risk management

The Group's activities expose it to a number of financial risks: market risk (including interest rate risk, and foreign currency risk), credit risk and liquidity risk. The Group's Finance function seeks to reduce the Group's exposure to foreign exchange, interest rate and other financial risks. It also ensures surplus funds are managed and controlled in a manner which will protect capital sums invested and ensure adequate short-term liquidity, whilst maximising returns. It does not operate as a profit centre and transacts only in relation to underlying business requirements. It operates policies and procedures which are periodically reviewed and approved by the Board of Directors. The board provides written policies for overall risk management.

(a) Market risk

Interest rate risk

The Group has no significant interest bearing exposures other than bank balances and borrowings.

Interest rate risk arising from the Group's borrowing is managed by the issue of fixed rate debt when conditions are favourable. The Group centrally manages the short-term cash surpluses or borrowing requirements of subsidiary companies. At 31 December 2009 if interest rates had increased/decreased by 1% with all other variables held constant, post tax profit for the year would have been €664,000 lower/higher.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Sterling (£). Foreign exchange transaction exposure in the Group is mitigated by the fact that trading entities in the Group tend to have the majority of their revenues and expenses denominated in their functional currency. The principal foreign exchange risk arises from fluctuations in the Euro value of the Group's net investment in currencies other than the Euro (primarily Sterling £ and US Dollar).

The Group's policy in regard to translation exposure is to on occasion use foreign currency borrowings to hedge the impact of exchange rate movements on the Group's balance sheet and to use forward rate contracts to mitigate the impact of exchange rate movements on the Group's income statement, when the Group considers it economically viable to do so. In order to achieve this objective, the Group manages its borrowings, where practicable and cost effective, partially to hedge its foreign currency assets. At the end of 2009 no foreign borrowings were used as a hedge of the Group's net investments in its subsidiaries.

At 31 December 2009, if the euro had weakened/strengthened by 10% against Sterling with all other variables held constant, post tax profit for the year would have been €1,545,000 lower/higher mainly as a result of foreign exchange gains/losses on translation of Sterling £ denominated net assets.

(b) Credit risk

The Group has a credit policy in place and monitors credit risk on an ongoing basis. Credit risk is managed at both the Group level and the subsidiary level. It arises from exposures in respect of cash and short-term deposits with banks as well as credit exposures to customers.

Credit risk is managed by limiting the aggregate amount and duration of exposure to counterparties. These judgements are made after taking into account the counterparty's credit rating and by regular monitoring of these ratings. Acceptable credit ratings are medium to high investment grade ratings-generally counterparties with whom cash and cash equivalents are held have ratings of A2/A or higher from Moody's/Standard & Poor's rating agencies. Customers who wish to avail of credit terms with the Group are subject to credit evaluations prior to credit being advanced and are subject to continued monitoring at operating company level. The Group does not hold collateral in respect of amounts receivable from customers.

At the end of the reporting period, management believes that there were no concentrations of credit risk due to the large number of customers spread across the Group's activities and areas of operation. An impairment provision amounting to 7.0% of the trade and other receivables (2008: 7.2%) has been made at year end. At year end 73% of the trade and other receivables balances were classified as neither past due or impaired (2008: 67%). The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet.

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (note 26) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions. The Group maintains long-term committed facilities that are managed to ensure it has sufficient available funds for operations and planned expansions.

The principal liquidity risks faced by the Group relates to the maturity profile of debt obligations. The Group's finance function ensures that sufficient resources are available to meet such liabilities as they fall due through a combination of liquid investments, cash and cash equivalents, cash flows and undrawn committed bank facilities. Flexibility in funding sources is achieved through a variety of means including (i) maintaining cash and cash equivalents with a range of highly-rated counterparties; (ii) limiting the maturity of such balances; (iii) borrowing the bulk of the Group's debt requirements under committed bank lines; and (iv) having surplus committed lines of credit.

The undrawn committed facilities available to the Group as at the end of the reporting period are quantified in note 26 and are available to meet current foreseeable borrowing requirements.

The following is an analysis of the anticipated contractual cash flows including interest payable for the Group's non-derivative financial liabilities on an undiscounted basis. For the purpose of this table, debt is defined as all classes of borrowing except for obligations under finance leases. Interest is calculated based on debt held at 31 December without taking account of future issuance. Floating rate interest is estimated using the prevailing rate at the end of the reporting period. Cash flows in foreign currencies are translated using spot rates at 31st December.

Comparative information has been restated as permitted by the amendments to IFRS 7 for the liquidity risk disclosures.

Notes to the Consolidated Financial Statements

	Debt	Interest on debt	Trade payables	Obligations under finance leases	Finance charge on finance lease obligations	Total
	€'000	€'000	€'000	€'000	€'000	€'000
At 31 December 2009						
Due less than one year	**11,688**	**1,328**	**35,741**	**7**	**1**	**48,765**
Between one and two years	**54,723**	**958**	**-**	**-**	**-**	**55,681**
Total	**66,411**	**2,286**	**35,741**	**7**	**1**	**104,446**
Allocated to disposal group	**-**	**-**	**(258)**	**(4)**	**-**	**(262)**
Total 2009	**66,411**	**2,286**	**35,483**	**3**	**1**	**104,184**
At 31 December 2008						
Due less than one year	12,687	2,722	29,371	43	2	44,825
Between one and two years	7,575	2,264	-	9	1	9,849
Between two and three years	49,035	1,961	-	-	-	50,996
Total 2008	69,297	6,947	29,371	52	3	105,670

Capital risk management

The Group's primary objective in respect of capital risk management is to safeguard its ability to continue as a going concern in order to provide returns for its members.

The Group may on occasion adjust the amount of dividends paid out to its members, return capital to members and issue new shares or buy back shares as the need arises.

Capital is monitored on the basis of the gearing ratio which is calculated as net debt divided by total capital. Net debt is calculated as the sum of total borrowings and contingent consideration on acquisitions less cash and cash equivalents. Total capital is calculated as the market value of ordinary shares in issue plus net debt.

At year end, the gearing ratio was 31% (2008: 55%). The decrease in the gearing ratio of 24% is primarily a result of the movement of the share price of IFG Group from €0.47 at 31 December 2008 to €1.31 at 31 December 2009, increasing the market value of the Group's equity.

The Group's bank facilities require the Group to maintain its consolidated EBITDA/net debt (excluding share of joint ventures) at no lower than 2 times for twelve-month periods ending 30 June and 31 December. Non-compliance with financial covenants would give the relevant lenders the right to terminate facilities and demand early repayment of any sums due under such facilities thus altering the maturity profile of the Group's debt and the Group's liquidity. Group monitors compliance with financial covenants on a monthly basis and the consolidated net debt position is reviewed as part of the monthly board papers.

Notes to the Consolidated Financial Statements

Fair value estimation

Effective 1 January 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires the disclosure of fair value measurements by level of the following fair value measurement hierarchy.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2009 and 31 December 2008.

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
31 December 2009				
Available-for-sale financial assets	-	-	**113**	**113**
31 December 2008				
Available-for-sale financial assets	-	-	105	105

The available-for-sale financial instrument relates to unquoted shares held by Group. Movement in available-for-sale is due to foreign exchange movement during the year. There were no additions or disposals of financial instruments during the year. There have been no transfers from Level 3 in 2009 (2008: no transfers in either direction). The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various available-for-sale financial assets that are not traded in active markets.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(a) Retirement benefit obligations

The key assumptions used in determining the defined benefit obligation and the expected return on scheme assets are reviewed every year with the input of the Group's independent external actuary. The key assumptions are disclosed in note 27 to the financial statements.

Notes to the Consolidated Financial Statements

If the discount rate used in the calculation of the obligation increased by 1%, then the defined benefit obligation would decrease by €1,110,000 at 31 December 2009. If the discount rate decreased by 1% then the obligation at 31 December 2009 would have increased by €1,514,000. If inflation rates increased by 1% then the defined obligation would have decreased by €1,199,000 and a 1% decrease in inflation rates would have decreased the obligation by €907,000.

(b) Goodwill impairment

The Group tests annually whether goodwill had been impaired, in accordance with the accounting policy stated in note 2.7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (note 18).

If the revised estimated long term growth rates for all businesses were lowered by 1% from management's estimate at 31 December 2009, the Group would not have recognised impairment against goodwill. If the discount rate used increased by 1% an impairment charge of €nil would have been recorded at 31 December 2009. If the estimated long term growth rates were lowered by 1%, the discount rate increased by 1% and the estimated cash flows for the four-year period 2010-2013 reduced by 3%, then an impairment charge of €nil would have been recorded at 31 December 2009.

(c) Non goodwill intangible assets

The estimated useful lives of intangibles are determined at acquisition date and currently range from 6 to 10 years. Intangibles are tested on an annual basis for impairment. In 2009 the amortisation charge was €5,076,000 (2008: €3,556,000), inclusive of €15,000 allocated to discontinued operations. If the amortisation period was shortened by 1 year for all categories of intangibles, other than goodwill, in 2009 it would have resulted in an additional amortisation charge of €1,401,000.

5. Business combinations

James Hay acquisition

On 9 December 2009, IFG Group announced that it had signed an agreement to acquire 100% of the share capital of James Hay Holdings Limited (James Hay), a UK incorporated company for a total consideration of £35,000,000 (approximately €38,600,000) subject to an additional adjustable amount in respect of the net asset value of James Hay at completion. James Hay was a subsidiary of Santander Private Banking UK Limited, a member of the Banco Santander S.A. The transaction was finalised on 10 March 2010 following approval of the Financial Services Authority and payment of £38,900,000 (appropriately €42,900,000) was made at that date. Control of the business did not transfer until March 2010.

The acquisition of James Hay, being the UK's leading SIPP's provider is consistent with IFG's strategy to develop market leading scale in its UK pensions administration and advisory business. James Hay is the largest UK provider of Self Invested Personal Pensions (SIPP) with over 32,000 SIPP and over €8 billion SIPP assets under administration.

The initial accounting for the business combination is incomplete and so an analysis of the fair values and carrying values prior to the acquisition of the net assets acquired as part of the business combination has not been disclosed. All required disclosures under IFRS 3 Paragraph B64 will be made in the 2010 financial statements.

Notes to the Consolidated Financial Statements

Acquisition-related costs directly attributable to the business combination amounting to €1,215,000 were incurred before the balance sheet date and have been accounted for in accordance with the Group's accounting policy. Other elements of the business combination will be reflected in the 2010 financial statements as control was obtained in March 2010.

Prior year acquisitions

In 2008, the Group acquired 100% of the ordinary share capital of Nameridge Limited ("Nameridge").The initial consideration of €1,800,000 was paid on completion and a further €1,200,000 was placed in escrow with further contingent consideration of €3,500,000 payable based on the achievement of agreed revenue and new business thresholds in the three year period from completion. Following a detailed review of the forecasts for the remainder of the performance period it has been assessed that the full contingent consideration recorded as part of the accounting for the business combination will not be paid out. Goodwill and contingent consideration have been reduced by €2,149,000 to reflect the results of the detailed review.

In October 2008, the Group acquired 100% of the interest in the share capital of Pensco Limited, now trading as IFG Pensco Limited. Contingent consideration was payable by reference to revenue and profit thresholds in the period to 2012. The assumptions underlying the required growth in the business are no longer deemed to be attainable and an adjustment to goodwill and the fair value of the contingent consideration obligation of €2,194,000 has been made.

In 2007, the Group acquired Gestinor AG ("Gestinor") a Swiss company, Corfiser Holdings Limited ("Corfiser") a BVI entity and Earlsfort Manager Limited (now trading as IFG Managed Services Dublin Limited) an Irish company. Contingent consideration was payable by reference to revenue earned in periods subsequent to the acquisitions. The maximum revenue performance targets in order for the full contingent consideration to be paid was not attained and an adjustment has been made to goodwill to reflect the final contingent consideration payment made. The adjustment made amounted to €471,000.

6. Segmental information

In line with the requirements of IFRS 8, "Operating Segments", the Group has identified its Chief Operating Decision Maker (CODM). The Group has identified the Chief Executive Officer (CEO) of the company as its CODM. The CEO reviews the Group's internal reporting in order to assess the performance of the Group and allocates resources. The operating segments have been identified based on these reports.

The CEO considers the business from a geographic perspective based on 3 reporting segments: International, UK and Ireland. He assesses the performance of the segments based on a measure of adjusted earnings before interest, amortisation, tax and share based payment charges. The CEO reviews working capital and overall balance sheet performance on a Group wide basis.

The Group earns its revenues in these segments from two sources:

- Fees from the provision of services including Trustee & Corporate Services and Pensioneer Trustee Services ("Trustee & Corporate services")
- Commissions earned in the intermediation of financial services products ("Financial Services")

Goodwill is allocated by management to cash-generating units on a reporting segment level. There has been no change to the allocation of goodwill relating to prior period combinations. The implementation of IFRS 8 has not resulted in any additional goodwill impairment.

Notes to the Consolidated Financial Statements

Comparatives have been restated.

The segment information provided to the CEO for the reportable segments for the year ended 31 December 2009 is as follows:

	International €'000	UK €'000	Ireland €'000	Total €'000
Revenue	**39,826**	**34,602**	**18,859**	**93,287**
Adjusted earnings before interest, amortisation, tax, share based payments charges	**12,152**	**5,218**	**593**	**17,963**
Share based payment charges				**(1,511)**
Amortisation of intangibles				**(5,061)**
Redundancy costs				**(1,155)**
Finance income				**713**
Finance costs				**(2,229)**
Share of loss of associate				**(79)**
Profit before income tax				**8,641**
Income tax expense				**(1,131)**
				7,510
Loss for the year from discontinued operations (net of income tax)				**(1,102)**
Profit for the year				**6,408**

The 2008 comparatives which have been restated are as follows:

	International €'000	UK €'000	Ireland €'000	Total €'000
Revenue	43,271	37,495	24,321	105,087
Adjusted earnings before interest, amortisation, tax, share based payments charges	12,209	6,826	2,196	21,231
Share based payment charges				(1,567)
Amortisation of intangibles				(3,566)
Finance income				1,027
Finance costs				(3,926)
Profit before income tax				13,199
Income tax expense				(1,675)
				11,524
Loss for the year from discontinued operations (net of income tax)				(1,100)
Profit for the year				10,424

Notes to the Consolidated Financial Statements

The total non-current assets at 31 December 2009 split by geographic region for the year then ended are as follows:

	Non current €'000
Ireland	**17,485**
UK	**31,933**
IOM	**4,646**
Jersey	**19,059**
Cyprus	**19,280**
Other countries	**2,504**
	94,907

The total non-current assets at 31 December 2008 split by geographic region for the year then ended are as follows:

	Non current €'000
Ireland	21,826
UK	31,508
IOM	3,498
Jersey	19,549
Cyprus	19,105
Other countries	4,720
	100,206

The non-current assets exclude financial instruments, deferred tax assets and employee defined benefit surplus. The Group has no rights arising under insurance contracts.

Breakdown of revenue by country of operation is as follows:

The home country of IFG Group plc is Ireland. The Group's revenues are derived from the following countries:

	2009 €'000	2008 €'000
Ireland	**20,140**	25,081
United Kingdom	**34,574**	37,659
Isle of Man	**17,522**	20,639
Jersey	**9,278**	10,672
Cyprus	**6,489**	4,704
Other	**5,284**	6,332
Total	**93,287**	105,087

Revenue in the table above has been allocated based on the country where the customer is located.

Notes to the Consolidated Financial Statements

Analysis of revenue by category:

	2009 €'000	2008 €'000
Trustee & Corporate services	**65,299**	70,871
Financial Services	**27,988**	34,216
Total	**93,287**	105,087

During the year there were no revenues derived from a single customer that represent 10% or more of total revenues.

Segment assets for the year are as follows:

	International €'000	**UK €'000**	**Ireland €'000**	**Other €'000**	**Held for sale €'000**	**Total €'000**
31 December 2009	**80,940**	**53,695**	**24,690**	**8,808**	**357**	**168,490**
31 December 2008	89,461	49,601	28,848	7,498	-	175,408

Segment assets consist primarily of property, plant & equipment, intangible assets, trade receivables and cash. They exclude income tax, deferred tax, investments and assets held for sale.

The unallocated assets above include income tax, deferred tax, investments and assets held for sale and assets held centrally including some bank balances.

The segment liabilities for the year are as follows:

	International €'000	**UK €'000**	**Ireland €'000**	**Other €'000**	**Held for sale €'000**	**Total €'000**
31 December 2009	**(21,430)**	**(12,350)**	**(3,876)**	**(79,631)**	**(262)**	**(117,549)**
31 December 2008	(32,110)	(9,491)	(4,243)	(83,914)	-	(129,758)

Segment liabilities comprise operating liabilities. They exclude items such as taxation and corporate borrowings.

Notes to the Consolidated Financial Statements

7. Exceptional Items

The Group's accounting policy defines exceptional items as those items of income and expense that the Group considers to be material and/or of such a nature that their separate disclosure is relevant to a better understanding of the Group's financial performance.

Disclosed on face of Income Statement	**2009**	2008
	€'000	€'000
Exceptional redundancy costs	**1,155**	-

In 2009, the Group undertook a cost reduction programme with the objective of reducing operating costs by realigning the cost structure to the current sales volumes base and streamlining the Group's organisational structure thereby improving cost competitiveness. This involved a head count reduction in the region of 50 people. The redundancy costs comprising severance and termination benefits resulted in an exceptional charge before taxation of €1,155,000.

Other	**2009**	2008
	€'000	€'000
Losses/(gains)		
UK	**1,185**	(22)
Ireland	**570**	(729)
Gains		
Ireland	**(725)**	-
	1,030	(751)

During the year the Group incurred losses of €1,030,000 in respect of some of its non-core businesses. These businesses do not meet the definition of discontinued operations, however the Group is currently assessing the future business plans for these businesses. The exceptional losses incurred, offset by an exceptional gain in respect of the termination of a customer agreement, are disclosed to provide further information about the performance of the Group.

8. Discontinued operations and disposal groups held for sale

In June 2009 the directors approved the plan to sell a subsidiary, Title Underwriting Ireland Limited which forms part of the Ireland reporting segment. The Group has an active programme in place to obtain a buyer and expects the sale of this subsidiary to be completed within the next year. The results of this business are presented in this financial information as discontinued operations. Financial information relating to this discontinued operation is set out below. The income statement distinguishes discontinued operations from continuing operations. Comparatives in the income statement have been restated.

Notes to the Consolidated Financial Statements

Income Statement	**2009 €'000**	2008 €'000
Revenue	**1,063**	4,200
Cost of sales	**(2,047)**	(5,244)
Gross loss	**(984)**	(1,044)
Administrative expenses	**(115)**	(53)
Operating loss	**(1,099)**	(1,097)
Finance income	**-**	1
Finance costs	**(3)**	(4)
Loss before income tax	**(1,102)**	(1,100)
Income tax expense	**-**	-
Loss after income tax	**(1,102)**	(1,100)

Balance Sheet	**2009 €'000**
Assets	
Property, plant & equipment	29
Intangible assets	17
Deferred income tax asset	20
Trade and other receivables	126
Cash & cash equivalents	165
Total assets held for sale	**357**
Liabilities	
Trade and other payables	(258)
Finance lease	(4)
Total liabilities held for sale	**(262)**
Net assets held for sale	**95**

Total cashflows	**2009 €'000**	2008 €'000
Operating cash flows	**(843)**	36
Investing cash flows	**-**	(31)
Financing cash flows	**(4)**	(3)
	(847)	2

Notes to the Consolidated Financial Statements

9. Expenses by Nature

	2009 €'000	2008 Restated €'000
Depreciation and amortisation	**6,714**	5,238
Redundancy costs (note 11)	**1,155**	-
Employee benefit expense (note 11)	**52,582**	58,681
Advertising costs	**869**	897
Operating lease rentals	**3,342**	2,927
Auditors remuneration	**1,066**	1,048
Professional Fees	**1,862**	2,023
Software support	**2,211**	2,097
Commissions	**4,033**	7,748
Foreign exchange gain	**(277)**	(3,543)
Other expenses	**11,656**	17,795
Total	**85,213**	94,911
Relating to discontinued operations	**(2,162)**	(5,297)
Total relating to continuing operations	**83,051**	89,614

No other expenses classified by nature exceed €1.0 million in total and so have not been disclosed. The 2008 comparatives have been restated to reflect the discontinued operations disclosure.

10. Directors' remuneration

		2009 €'000	2008 Restated €'000
Emoluments:	For services as a director	**259**	259
	For other services	**2,859**	3,728
		3,118	3,987

The amounts above do not include charges in respect of the share based compensation payments of €1,197,000 (2008: €1,163,000).

Notes to the Consolidated Financial Statements

11. Employee benefit expense

The average number of persons employed by the Group during the year was 763 (2008: 783). The actual number of persons employed by the Group as at 31 December 2009 was 737 (2008: 789).

The average number of persons employed by the Group (including executive Directors) during the year, analysed by category, was as follows:

	2009	2008
International	**331**	301
UK	**256**	253
Ireland	**143**	200
Head office	**33**	29
	763	783

The aggregate remuneration costs of these employees can be analysed as follows:

	2009 €'000	2008 €'000
Wages and salaries	**44,681**	49,034
Social welfare costs	**3,414**	5,120
Redundancy costs	**1,155**	-
Pension costs - defined contribution plans	**2,826**	2,780
Pension costs - defined benefit plan	**134**	180
Share based payment compensation - share options	**277**	317
Share based payment compensation - LTIP	**1,250**	1,250
	53,737	58,681

Notes to the Consolidated Financial Statements

12. Finance income and costs

	2009 €'000	2008 €'000
Finance costs		
Interest expense - bank borrowings	**(1,731)**	(3,115)
Interest expense - senior unsecured notes	**(2)**	(84)
Provisions - unwinding of discount	**(491)**	(716)
Finance lease interest	**(8)**	(15)
Total finance costs	**(2,232)**	(3,930)
Relating to discontinued operations	**3**	4
Finance cost allocated to continuing operations	**(2,229)**	(3,926)
Finance income		
Interest income on short-term bank deposits	**713**	1,027
Net finance costs	**(1,516)**	(2,898)

13. Operating profit

	2009 €'000	2008 €'000
The following items have been charged in operating profit:		
Depreciation	**1,561**	1,576
Amortisation of intangible assets	**5,061**	3,566
Operating lease rentals	**3,342**	2,927
Net foreign exchange gain	**(277)**	(3,543)
Auditors' remuneration		
- audit	**865**	842
- non audit	**201**	206
Employee costs (note 11)	**53,737**	58,681

Auditors' remuneration above does not include €379,000 that was charged by PricewaterhouseCoopers in respect of services provided to the Group in relation to the James Hay acquisition. This cost, in addition to other costs relating to the acquisition, has been classified as prepayments pending the accounting for the business combination which was completed in March 2010.

Notes to the Consolidated Financial Statements

14. Income tax expense

	2009 €'000	2008 €'000
The following items have been charged in operating profit:		
Current tax		
Irish (at 12.5%)		
- current year	**-**	164
- prior year	**30**	(217)
UK and other (primarily at 28%):		
- current year	**1,699**	2,670
- prior year	**(324)**	(528)
	1,405	2,089
Deferred tax		
Irish:		
- current year	**33**	57
UK and other:		
- current year	**(307)**	(471)
	1,131	1,675

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits of the consolidated entities as follows:

	2009 €'000	2008 €'000
Profit before income tax	**8,641**	13,199
Tax calculated at domestic tax rates applicable to profits in the respective countries	**837**	2,279
Adjustment in respect of prior years	**(294)**	(745)
Tax losses forward on which deferred tax asset no longer recognised	**-**	216
Utilisation of previously unrecognised tax losses	**(176)**	(137)
Others including expenses not deductible for tax purposes	**764**	62
Income tax expense	**1,131**	1,675

Notes to the Consolidated Financial Statements

15. Earnings per ordinary share

	2009	2008
Basic		
Profit after income tax and minority interest (€'000)	**6,590**	11,365
Weighted average number of ordinary shares in issue for the calculation of earnings per share	**74,824,467**	72,447,944
Basic earnings per share (cent)	**8.81**	15.69
Diluted		
Profit after income tax and minority interest (€'000)	**6,590**	11,365
Weighted average number of ordinary shares in issue for the calculation of earnings per share	**74,824,467**	72,447,944
Dilutive effect of share options and warrants	**36,571**	738,203
Dilutive effect of long term incentive plan	**1,645,832**	2,333,333
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**76,506,870**	75,519,480
Diluted earnings per share (cent)	**8.61**	15.05

The number of shares used in the calculation of basic earnings per share and diluted earnings per share has been calculated in accordance with International Accounting Standard No.33.

Diluted earnings per share are based on the weighted average number of ordinary shares used in the basic earnings per share calculation, with an adjustment to reflect:

- the bonus element of the average number of options and warrants outstanding during the year. The bonus element arises when the exercise price is lower than the average market price during the year;
- the number of shares earned under the Long Term Incentive Plan ('LTIP') which have not been issued.

At 31 December 2009, shares earned by participants under the LTIP, approved by the shareholders on 28 September 2006 but not yet issued amount to 1,645,832 shares (31 December 2008: 2,333,333 shares).

Notes to the Consolidated Financial Statements

16. Dividends

Dividends paid and approved during 2009 were €1,770,000 (2008: €2,772,000) amounting to 3.63 (2008: 3.75) cent per share. A final dividend in respect of 2009 of 2.36 cent per share is to be proposed at the annual general meeting on 30 June 2010. These financial statements do not reflect this dividend payable. The 2009 interim dividend of 1.27 was paid on 29 January 2010.

17. Property, plant & equipment

	Buildings €'000	Computer equipment €'000	Fixtures & fittings €'000	Motor vehicles €'000	Total €'000
Cost					
At 31 December 2007	3,163	5,424	5,060	254	**13,901**
Additions	107	834	154	74	**1,169**
Disposals	(68)	(680)	(1,015)	(85)	**(1,848)**
Business combination	-	80	136	-	**216**
Exchange adjustment	(401)	(959)	(619)	(3)	**(1,982)**
At 31 December 2008	2,801	4,699	3,716	240	**11,456**
Additions	1,067	559	291	36	**1,953**
Disposals	-	-	(80)	-	**(80)**
Transferred to disposal group	-	-	(734)	-	**(734)**
Exchange adjustment	96	221	125	2	**444**
At 31 December 2009	**3,964**	**5,479**	**3,318**	**278**	**13,039**
Accumulated depreciation					
At 31 December 2007	(623)	(3,612)	(3,931)	(177)	**(8,343)**
Charge for year	(199)	(1,133)	(290)	(50)	**(1,672)**
Disposals	58	647	1,052	74	**1,831**
Exchange adjustment	119	717	398	1	**1,235**
At 31 December 2008	(645)	(3,381)	(2,771)	(152)	**(6,949)**
Charge for year	(193)	(1,295)	(97)	(53)	**(1,638)**
Disposals	-	-	72	-	**72**
Transferred to disposal group	-	-	705	-	**705**
Exchange adjustment	(28)	(150)	(73)	(1)	**(252)**
At 31 December 2009	**(866)**	**(4,826)**	**(2,164)**	**(206)**	**(8,062)**
Net book amounts					
At 31 December 2008	2,156	1,318	945	88	4,507
At 31 December 2009					
- cost	**3,964**	**5,479**	**3,318**	**278**	**13,039**
- accumulated depreciation	**(866)**	**(4,826)**	**(2,164)**	**(206)**	**(8,062)**
	3,098	**653**	**1,154**	**72**	**4,977**

Notes to the Consolidated Financial Statements

Capital commitments

At 31 December 2009 amounts authorised by the Directors, but not contracted for, were €nil (2008: €nil). Capital commitments contracted for were €21,000 (2008: €720,000).

Finance Leases

As at 31 December 2009, the capitalised cost of assets held under finance lease was €1,148,000 (2008: €1,153,000) and consists primarily of office equipment. The net book value of these assets was €20,000 (2008: €44,000).

18. Intangible assets

	Goodwill €'000	Other[1] €'000	Computer software €'000	Total €'000
Year ended 31 December 2009				
Opening net book amount	59,112	31,741	4,846	**95,699**
Business combinations	(4,814)	-	-	**(4,814)**
Additions	-	100	190	**290**
Internal development additions	-	-	686	**686**
Reclassification	(302)	302	-	**-**
Amortisation charge	-	(4,091)	(985)	**(5,076)**
Transferred to disposal group	-	-	(17)	**(17)**
Exchange adjustment	2,371	743	48	**3,162**
Closing net book amount 2009	56,367	28,795	4,768	**89,930**
At 31 December 2009				
Cost	**68,360**	**38,130**	**6,661**	**113,151**
Accumulated amortisation	**(11,993)**	**(9,335)**	**(1,893)**	**(23,221)**
Net book amount	**56,367**	**28,795**	**4,768**	**89,930**
Year ended 31 December 2008				
Opening net book amount	57,732	16,672	904	75,308
Business combinations	11,433	20,242	2,038	33,713
Additions	-	-	940	940
Internal development additions	-	-	1,639	1,639
Amortisation charge	-	(3,122)	(444)	(3,566)
Exchange adjustment	(10,053)	(2,051)	(231)	(12,335)
Closing net book amount 2008	59,112	31,741	4,846	95,699
At 31 December 2008				
Cost	71,105	36,985	5,754	113,844
Accumulated amortisation	(11,993)	(5,244)	(908)	(18,145)
Net book amount	59,112	31,741	4,846	95,699

Notes to the Consolidated Financial Statements

[1] Other intangibles include the cost of intangibles that were identified and valued as part of the purchase price allocation that resulted from business combinations. These intangibles are primarily customer relationships acquired as part of recent business combinations of the Group. Useful lives of other intangibles range from 7 to 10 years. Computer software is amortised over 3 to 6 years.

The amortisation charge of €5,061,000 (2008: €3,566,000) is included in the cost of sales in the Income Statement. The remaining charge of €15,000 is included in the results of discontinued operations.

	At 31 December 2009 €'000	At 31 December 2008 €'000
Goodwill as allocated to segments - group of cash generating units		
International	**20,555**	20,282
United Kingdom	**26,505**	24,932
Ireland	**9,307**	13,898
Total Goodwill	**56,367**	59,112

Impairment tests for goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's segments which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Value-in-use calculations are generally utilised to calculate recoverable amounts of a CGU. Value-in-use is calculated as the net present value of the projected risk-adjusted cash flows of the cash generating unit in which the goodwill is contained. These cash flows are based on budgets approved by management covering a one year budget together with a four year forecast. Cash flows beyond the five-year period are extrapolated using the estimated growth rates as stated below.

Growth Rates 2009 & 2008:

Ireland	1.0% (2.0%)
UK	2.0% (1.0%)
International	2.0% (2.0%)

Net present value of cash flows is achieved by applying a discount rate of the Group pre-tax weighted average cost of capital of 9.3% (2008: 8.9%).

Notes to the Consolidated Financial Statements

19. Investments in associates

	2009 €'000	2008 €'000
Beginning of year	-	299
Disposals in year	-	(58)
Acquisition	79	-
Dividend received from associates	-	(241)
Share of loss for the year	(79)	-
End of year	-	-

On 17 February 2009, the Group acquired a 26% interest in Simply Mortgages Holdings Limited, an Irish entity. In addition it also advanced a €400,000 loan to Simply Mortgages Limited secured on an insurance renewal book of the company. This is classified within "Other non-current assets".

The Group's share of the results of its principal associates, all of which are unlisted, and its aggregated assets and liabilities are as follows:

	Assets €'000	Liabilities €'000	Revenues €'000	Loss €'000
2009	**1,033**	**(1,055)**	**272**	**(1)**
2008	660	(750)	-	(15)

The Group's investment in associates comprise shareholdings in Rayband Limited (shareholding 35% (2008: 35%)) and Simply Mortgages Holdings Limited (shareholding: 26% (2008: Nil)). The Group has not recognised losses of €30,000 for Rayband Limited.

Notes to the Consolidated Financial Statements

20. Deferred Income Tax

Deferred income tax assets and liabilities are offset, if and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to either settle on a net basis or to realise the asset and settle the liability simultaneously.

	2009 €'000	2008 €'000
Deferred tax asset	**1,003**	1,315
Deferred tax liability not subject to offset	**(4,393)**	(4,992)
	(3,390)	(3,677)

The gross movement on the deferred income tax account is as follows:

Beginning of year	**(3,677)**	(1,994)
Exchange movement	**33**	(169)
Acquisition of subsidiary	**-**	(1,928)
Reclassification to disposal group	**(20)**	-
Income statement credit	**274**	414
End of year	**(3,390)**	(3,677)

Notes to the Consolidated Financial Statements

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Accelerated capital allowances €'000	Past business review €'000	Intangibles €'000	Tax losses €'000	Other temporary differences €'000	Total €'000
Deferred tax assets at 1 January 2008	57	404	-	522	195	1,178
Deferred tax liability at 1 January 2008	-	-	(3,172)	-	-	(3,172)
Net deferred tax balance at 1 January 2008	57	404	(3,172)	522	195	(1,994)
At 1 January 2008	57	404	(3,172)	522	195	(1,994)
Exchange movement	(7)	(70)	-	(76)	(16)	(169)
Credit/(charged) to income statement	40	(71)	458	(213)	200	414
Business Combinations	71	-	(2,278)	277	2	(1,928)
Net deferred tax balance at 31 December 2008	161	263	(4,992)	510	381	(3,677)
Deferred tax assets at 31 December 2008	161	263	-	510	381	1,315
Deferred tax liabilities at 31 December 2008	-	-	(4,992)	-	-	(4,992)
Net deferred tax balance at December 2008	161	263	(4,992)	510	381	(3,677)
At 1 January 2009	161	263	(4,992)	510	381	(3,677)
Exchange movement	3	15	-	15	-	33
Reclassification to disposal group	(20)	-	-	-	-	(20)
(Charged)/credit to income statement	(25)	(103)	599	(143)	(54)	274
Net deferred tax balances at 31 December 2009	**119**	**175**	**(4,393)**	**382**	**327**	**(3,390)**
Deferred tax assets at 31 December 2009	**119**	**175**	**-**	**382**	**327**	**1,003**
Deferred tax liabilities at 31 December 2009	**-**	**-**	**(4,393)**	**-**	**-**	**(4,393)**
Net deferred tax balances at 31 December 2009	**119**	**175**	**(4,393)**	**382**	**327**	**(3,390)**

Tax losses on which a deferred tax asset has not been recognised are €3,712,000 (2008: €3,820,000). These losses have no expiration date and can be carried forward indefinitely. Deferred tax assets are recognised where it is probable that future taxable profit will be available to utilise losses.

Notes to the Consolidated Financial Statements

21. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Held to maturity €'000	Loans and receivables €'000	Available-for-sale financial assets €'000	Total €'000
31 December 2009				
Assets as per balance sheet				
Available-for-sale financial assets	-	-	113	**113**
Other non-current assets	-	2,360	-	**2,360**
Trade & other receivables	-	35,315	-	**35,315**
Loans to associates	-	1,291	-	**1,291**
Restricted cash	6,662	-	-	**6,662**
Cash & cash equivalents	-	22,310	-	**22,310**
Total	**6,662**	**61,276**	**113**	**68,051**

	Held to maturity €'000	Loans and receivables €'000	Available-for-sale financial assets €'000	Total €'000
31 December 2008				
Assets as per balance sheet				
Available-for-sale financial assets	-	-	105	105
Trade & other receivables	-	34,512	-	34,512
Loans to associates	-	1,289	-	1,289
Restricted cash	12,211	-	-	12,211
Cash & cash equivalents	-	22,540	-	22,540
Total	12,211	58,341	105	70,657

	Other financial liabilities €'000
31 December 2009	
Liabilities as per balance sheet	
Borrowings	**66,414**
Trade & other payables	**4,486**
Accruals and deferred income	**28,769**
Total	**99,669**

	Other financial liabilities €'000
31 December 2008	
Liabilities as per balance sheet	
Borrowings	69,349
Trade & other payables	2,684
Accruals and deferred income	25,150
Total	97,183

See note 24 commentary on the credit quality of trade and other receivables.

Notes to the Consolidated Financial Statements

22. Available-for-sale financial assets

	Unquoted investments 2009 €'000	Unquoted investments 2008 €'000
At 1 January	**105**	87
Exchange differences	**8**	-
Additions	**-**	105
Disposals	**-**	(87)
At 31 December	**113**	105

Fair value of unquoted investments is based on the net assets of underlying investments and the assets are denominated in sterling. The maximum exposure at the reporting date is the fair value of securities classified as available-for-sale. None of the financial assets are impaired.

23. Other non-current assets

	2009 €'000	2008 €'000
Other loans	**1,343**	-
Loan to associate	**417**	-
Options	**600**	-
At 31 December	**2,360**	-

Loans are recorded at cost and are repayable at dates between 2011-2014. At the year end the Group had options to acquire majority shareholdings in 2 legal entities. The options were not exercisable at the Balance Sheet date and so have been accounted for at cost. These assets are reviewed on an ongoing basis and are not deemed to be impaired. The maximum exposure arising in the event of default on the part of the counterparty is the carrying value of the relevant financial instrument.

24. Trade and other receivables

	2009 €'000	2008 €'000
Trade receivables	**37,979**	37,179
Less provision for impairment	**(2,664)**	(2,667)
Trade receivables and other receivables-net	**35,315**	34,512
Prepayments	**4,104**	3,080
Loans to associates	**1,291**	1,289
Value added tax	**-**	3
	40,710	38,884

Notes to the Consolidated Financial Statements

Income statement charge in respect of the provision for impairment of trade receivables was €656,000 (2008: €1,321,000) and has been charged as part of administration expenses.

The carrying value less impairment provision of trade and other receivables approximates fair value.

The Group's exposure to concentration risk in respect of its trade receivables is assessed as low given the large number of customers in diverse geographical locations.

As of 31 December 2009, trade receivables of €18,715,000 (2008: €18,309,000) were fully performing. There is no history of default with any of these clients.

Trade receivables that are less than three months past due have been reviewed and are not considered impaired. As of 31 December 2009, trade receivables of €9,031,000 (2008: €6,644,000) were past due but not impaired. These relate to a wide range of clients for whom there is no history of default. The ageing analysis of these trade receivables is as follows:

	2009	2008
	€'000	€'000
Less than 3 months	**7,715**	5,000
3 to 6 months	**1,316**	996
More than 6 months	**-**	648
	9,031	6,644

As of 31 December 2009, trade receivables of €10,233,000 (2008: €12,226,000) were impaired and provided for. The amount of the provision was €2,664,000 (2008: €2,667,000). It was assessed that a majority of the receivables from those clients would be recovered. The ageing of these receivables is as follows:

	2009	2008
	€'000	€'000
6 months to one year	**8,147**	6,866
More than one year	**2,086**	5,360
	10,233	12,226

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2009	2008
	€'000	€'000
Euro	**12,671**	13,554
Sterling	**24,244**	21,646
USD	**417**	1,184
Other currencies	**647**	795
	37,979	37,179

Notes to the Consolidated Financial Statements

Movements on the Group provision for impairment of trade receivables are as follows:

	2009 €'000	2008 €'000
At 1 January	**2,667**	2,835
Provision for receivables impairment	**656**	1,321
Receivables written off during year as uncollectible	**(737)**	(1,142)
Unused amounts reversed	**-**	(183)
Exchange adjustment	**78**	(164)
	2,664	2,667

The creation and release of the provision for impaired receivables has been included within administrative expenses in the income statement.

The other classes within trade and other receivables do not contain any impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

25. Cash and cash equivalents

	2009 €'000	2008 €'000
Cash at bank and in hand	**12,913**	13,708
Short-term bank deposits	**9,562**	8,832
	22,475	22,540
Total allocated disposal group	**(165)**	-
Total cash and cash equivalents	**22,310**	22,540

Cash and cash equivalents are reported at amortised cost which approximates fair value. Cash at bank and in hand earns interest at floating rates based on daily deposit bank rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Notes to the Consolidated Financial Statements

Currency rate profile of cash and cash equivalents

	2009			2008		
	Cash at bank and in hand €'000	**Short term deposits €'000**	**Total €'000**	Cash at bank and in hand €'000	Short term deposits €'000	Total €'000
Euro	**4,536**	**42**	**4,578**	3,823	1,083	4,906
Sterling	**6,743**	**9,520**	**16,263**	8,998	7,749	16,747
US Dollar	**1,422**	**-**	**1,422**	526	-	526
Swiss Franc	**150**	**-**	**150**	343	-	343
Yen	**62**	**-**	**62**	18	-	18
	12,913	**9,562**	**22,475**	13,708	8,832	22,540

The majority of cash balances denominated in Euro belong to a cash pooling arrangement whereby the Group benefits from a reduced interest expense. Floating rate cash earns interest based on relevant national bank deposit rates.

Cash held in escrow

Included as part of the contingent consideration of prior year acquisitions, €6,662,000 is held on deposit in escrow accounts to meet obligations that may arise on these acquisitions. As previously disclosed, such payments are contingent on the achievement of revenue and profit targets and will be paid in 2010 should such targets be attained. This cash is restricted cash and is not available for general working capital purposes.

26. Borrowings

	2009 €'000	2008 €'000
Non-Current		
Bank borrowings	**54,723**	56,610
Leasing finance	**-**	9
	54,723	56,619
Current		
Bank overdrafts	**527**	1,256
Bank borrowings	**11,161**	10,511
Senior unsecured notes	**-**	920
Leasing finance	**3**	43
	11,691	12,730
	66,414	69,349
Leasing finance allocated to "liabilities of disposal group classified as held for sale"	**4**	-
Total borrowings	**66,418**	69,349

Notes to the Consolidated Financial Statements

Bank borrowings

Bank borrowings mature at dates between 2010 and 2011 and bear average coupons of 2.0% annually (2008: 4.0% annually).

Total borrowings include secured liabilities. Bank borrowings are secured by a fixed and floating charge over the Group's assets including the guarantee of the holding company.

The carrying amounts and fair values of the non-current borrowings are as follows:

	Carrying amount		Fair value	
	2009 €'000	2008 €'000	**2009 €'000**	2008 €'000
Bank borrowings	**54,723**	56,610	**53,650**	50,595
Leasing finance	**-**	9	**-**	8
	54,723	56,619	**53,650**	50,603

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 2.0% (2008: 4.0%).

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2009 €'000	2008 €'000
Euro	**66,101**	44,115
Sterling	**317**	25,234
	66,418	69,349

The Group has the following undrawn committed borrowing facilities available:

	2009 €'000	2008 €'000
Expiring within one year	**-**	9,700
Expiring between one and two years	**1,010**	-
Expiring in more than two years	**-**	1,847
	1,010	11,547

These facilities which include our short-term working capital facilities provide the Group with the necessary funding in each of our functional currencies for our short and long term objectives. All of the working capital facilities in place at 31 December 2009 are denominated in Euro with the exception of Stg£400,000 of undrawn facilities.

Group bank advances totalling €66,639,000 (2008: €68,680,000) are secured on certain of the Group's investments or by a fixed and floating charge over the Group's assets including the guarantee of the holding company.

Notes to the Consolidated Financial Statements

Leasing finance

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Gross finance lease liabilities - minimum lease payments:

	2009 €'000	2008 €'000
Within one year	**8**	45
Between one and two years	**-**	10
	8	55
Future finance charges on finance leases	**(1)**	(3)
Present value of leasing finance	**7**	52

The present value of finance lease liabilities is as follows:

	2009 €'000	2008 €'000
Within one year	**7**	43
Between one and two years	**-**	9
	7	52

27. Retirement benefit surplus/(obligations)

Defined benefit schemes

	2009 €'000	2008 €'000
Balance sheet		
Retirement benefit surplus/(obligation)	**68**	(231)
Income statement		
Pension benefits (note 11)	**134**	180

The Group operates a defined benefit pension scheme via its subsidiary IFG Management Limited for eligible employees based on employee pensionable remuneration and length of service. The scheme was closed to new entrants with effect from 1 November 1997. The assets are held separately from those of the Group being invested with an insurance company. The most recent full valuation for funding purposes was carried out by a qualified actuary at 1 January 2006 and the results have been projected to 31 December 2009 and are available for inspection by the scheme members but are not available for public inspection.

The following information relates to the Group's defined benefit pension scheme.

Notes to the Consolidated Financial Statements

Pension benefits

The amounts recognised in the balance sheet are determined as follows:

	2009 €'000	2008 €'000
Present value of funded obligations	**5,183**	2,740
Fair value of plan assets	**(3,322)**	(2,650)
	1,861	90
Unrecognised actuarial (losses)/gains	**(1,929)**	141
(Asset)/liability in the balance sheet	**(68)**	231

The movement in the defined benefit obligation over the year is as follows:

	2009 €'000	2008 €'000
At beginning of the year	**2,740**	4,059
Interest cost	**193**	226
Current service cost	**135**	177
Contributions by members	**28**	29
Benefits paid	**(42)**	(50)
Actuarial losses/(gains)	**1,923**	(844)
Exchange movement	**206**	(857)
At end of the year	**5,183**	2,740

The movement in the fair value of plan assets over the year is as follows:

	2009 €'000	2008 €'000
At beginning of the year	**2,650**	4,040
Expected return on plan assets	**175**	221
Contributions by employer	**447**	244
Contributions by members	**28**	29
Benefits paid	**(43)**	(50)
Actuarial gains	**(129)**	(997)
Exchange movement	**194**	(837)
At end of the year	**3,322**	2,650

Notes to the Consolidated Financial Statements

The amounts recognised in the income statement are as follows:

	2009 €'000	2008 €'000
Interest cost	**193**	226
Current service cost	**135**	177
Expected return on plan assets	**(175)**	(221)
Actuarial gains outside corridor	**(19)**	(2)
The total charge has been included in cost of sales in the income statement	**134**	180

The actual return/(loss) on plan assets was €46,000 (2008: (€776,000)).

The principal actuarial assumptions used were as follows:	**2009**	2008
Discount rate	**5.8%**	6.5%
Expected return on plan assets	**5.75%**	5.75%
Future salary increases	**5.1%**	4.2%
Future pension increase	**3.6%**	2.7%

Assumed life expectancy in years, on retirement at 65		
Retiring today:		
Male	**23.7 years**	21.5 years
Female	**25.8 years**	23.5 years
Retiring in 20 years:		
Male	**25.8 years**	23.5 years
Female	**27.1 years**	26.5 years

Contributions expected to be made to the scheme in 2010 are €407,000.

Assets of the scheme comprise a unitised with profits policy. The expected return on assets is calculated using the assets, market conditions and long term expected rate of interest.

Notes to the Consolidated Financial Statements

History of experience gains and losses:

As at 31 December	**2009 €'000**	2008 €'000	2007 €'000	2006 €'000	2005 €'000
Present value of defined benefit obligation	**5,183**	2,740	4,059	5,797	5,087
Fair value of plan assets	**3,322**	2,650	4,040	4,043	3,353
Deficit	**1,861**	90	19	1,754	1,734
Experience adjustments on plan liabilities	**(33)**	49	(121)	(34)	(89)
Experience adjustments on plan assets	**(129)**	(997)	301	177	25

Defined contribution schemes

IFG entities operate pension arrangements which cover the Group's material obligations to provide pensions to retired employees. These schemes are provided by defined contribution schemes, whereby retirement benefits are determined by the value of funds arising from contributions paid in respect of each employee and defined benefit schemes whereby retirement benefits are based on employee pensionable remuneration and length of service.

28. Provisions for other liabilities

	Contingent/ deferred consideration €'000	**Others €'000**	**Total €'000**
At 31 December 2008	20,905	3,470	**24,375**
Additions	-	632	**632**
Business combinations	(4,659)	-	**(4,659)**
Utilisations	(9,467)	(1,931)	**(11,398)**
Unwinding of discount	443	48	**491**
Exchange movement	(22)	68	**46**
At 31 December 2009	**7,200**	**2,287**	**9,487**

Analysis of provisions:	**2009 €'000**
Current	**8,627**
Non-current	**860**
	9,487

Notes to the Consolidated Financial Statements

a) Contingent/deferred consideration

In the prior years the Group was engaged in a number of business acquisitions whose terms provided for an element of the purchase consideration to be contingent on the achievement of certain future turnover targets. The provision represents the present value of the best estimate of amounts expected to be paid. Expected timing of outflows associated with the provisions are in the period 2010-2013.

b) Others

€2,053,000 (2008: €2,624,000) includes provision against potential and existing complaints and legal claims across the Group. It also includes provisions for the cost of claims incurred but not yet reported (IBNR).

29. Trade and other payables (amounts falling due within one year)

	2009 €'000	2008 €'000
Trade and other payables	**4,486**	2,684
Accruals and deferred income	**28,769**	25,150
PAYE and social welfare	**687**	745
Value added tax	**1,798**	791
Amounts due to associates	**1**	1
	35,741	29,371
Creditors for taxation and social welfare included above	**2,485**	1,536

The carrying value of trade and other payables approximates fair value.

Notes to the Consolidated Financial Statements

30. Share capital and share premium

Authorised	**2009 No of shares**	**2009 €'000**	2008 No of shares	2008 €'000
Ordinary shares of 12c each	**85,187,210**	**10,222**	85,187,210	10,222
"A" ordinary shares of €1.27 each	**8,200**	**10**	8,200	10
		10,232		10,232

Allotted and fully paid up	**No of shares**	**Ordinary shares €'000**	**Share premium €'000**
At 1 January 2008	69,665,950	8,360	53,032
Share options exercised during year	458,318	55	442
LTIP shares issued during year	687,501	83	-
Shares issued during year	3,432,958	411	6,551
At 31 December 2008	74,244,727	8,909	60,025
Write off of expenses relating to share placement post year end	-	-	(2,484)
Share options exercised during year	145,000	18	127
LTIP shares issued during year	687,501	82	-
At 31 December 2009	**75,077,228**	**9,009**	**57,668**

Costs related to the Placing and Open Offer of shares that was completed on 10 March 2010, following regulatory approval for the acquisition of James Hay Holdings Limited as per note 5, were charged against share premium. These costs amounted to €2,484,000.

Share options

The Group operates share option schemes whereby options are granted to employees to acquire shares in IFG Group plc. The exercise price of the granted options is equal to the market price of the shares on the date of grant. Options are conditional on the employee remaining in service for a period of three years (vesting period) and are exercisable between three and ten years from the date of grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

At 31 December 2009 share options were outstanding over 4,077,182 (2008: 3,538,182) ordinary shares under the Company's Share Option Schemes.

Notes to the Consolidated Financial Statements

Movements in the number of share options outstanding and their related average exercise prices are as follows:

	2009 Weighted exercise price in € per share	**2009 Options '000**	2008 Weighted exercise price in € per share	2008 Options '000
At 1 January	**1.56**	**3,538**	1.29	3,722
Granted	**1.05**	**873**	1.97	435
Forfeited	**1.71**	**(189)**	1.77	(161)
Exercised	**1.00**	**(145)**	1.09	(458)
At 31 December	**1.46**	**4,077**	1.56	3,538
Options exercisable	**1.47**	**2,579**	1.38	2,585

The weighted average share price at the date of exercise for options exercised during the year was €1.19 (2008: €1.93).

Options outstanding at the end of the year entitle holders to purchase ordinary shares as follows:

Number	**Exercise Price in cent**	**Period normally exercisable From**	**To**
175,000	114.00	11.05.2003	10.05.2010
650,000	140.00	04.07.2003	03.07.2010
250,000	170.00	06.09.2003	05.09.2010
75,000	300.00	10.10.2004	09.10.2011
120,000	275.00	17.04.2005	16.04.2012
85,000	190.00	09.07.2005	08.07.2012
415,000	114.00	16.04.2007	15.04.2014
100,000	102.00	13.07.2007	12.07.2014
471,182	99.00	16.04.2008	15.04.2015
238,000	205.00	10.05.2009	09.05.2016
252,500	208.00	12.04.2010	11.04.2017
372,500	197.00	14.04.2011	13.04.2018
335,000	65.00	06.05.2012	05.05.2019
538,000	130.00	07.09.2012	08.09.2019

Notes to the Consolidated Financial Statements

Option pricing

The fair value of options granted was determined using the Black-Scholes valuation model. The significant inputs into the model were share price and exercise price of €0.65 and €1.30 respectively in 2009, (2008: €1.97) at the grant dates, standard deviation of expected share price returns of 54%, (2008: 45%), option life disclosed above and annual risk-free rate of 3.5%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over a seven year period as this represents the historical experience of grant date to exercise date. The fair value of share options granted in the year was €0.66 and €0.33. (2008: €0.88).

Directors' interest in the Long Term Incentive Plan

Some executive directors of the Company are participants in a Long Term Incentive Plan (LTIP). The share awards under the LTIP approved by shareholders at an Extraordinary General Meeting on 28 September 2006 are contingent on the achievement of defined annual adjusted EPS growth targets for the financial year 2006 to 2010 and on the recipients remaining with the Group until the end of the performance period. The table below outlines the total number of shares earned as of 31 December 2009 and the maximum number of shares that can currently be earned under the LTIP.

Performance cycle ending	Grant date	Market price per ordinary shares at grant date €	Shares earned at 1 January 2009 Number	Shares earned in year Number	Shares earned as at 31 December 2009 Number	Maximum that can be earned Number
31.12.2010	28.09.2006	2.10	2,250,000	-	2,250,000	3,750,000
31.12.2010	14.07.2007	2.22	400,000	-	400,000	800,000
31.12.2010	20.11.2007	1.52	562,500	-	562,500	1,062,500

The share based payment compensation charge for the year has been disclosed in note 11.

Notes to the Consolidated Financial Statements

31. Other reserves

	Capital conversion reserve €'000	Convertible bond €'000	Equity settled share transactions €'000	Translation reserve €'000	Total €'000
At 1 January 2008	414	338	4,532	(11,531)	(6,247)
Currency translation difference	-	-	-	(17,972)	(17,972)
Share based payment compensation :					
- Value of employee services - LTIP	-	-	1,250	-	1,250
- Value of employee services - share options - continuing	-	-	317	-	317
- Shares issued under LTIP	-	-	(83)	-	(83)
At 31 December 2008	414	338	6,016	(29,503)	(22,735)
Currency translation difference	-	-	-	4,107	4,107
Net investment hedge	-	-	-	(2,639)	(2,639)
Share based payment compensation :					
- Value of employee services - LTIP	-	-	1,250	-	1,250
- Value of employee services - share options - continuing	-	-	261	-	261
- Value of employee services-share options - discontinued	-	-	16	-	16
- Shares issued under LTIP	-	-	(82)	-	(82)
At 31 December 2009	**414**	**338**	**7,461**	**(28,035)**	**(19,822)**

Capital conversion reserve arose on the redenomination of the shares from Irish pounds to Euro in Year 2001 and the renominalisation of the share capital.

Convertible bond reserve was created on the transition to IFRS and the recognition of the senior unsecured notes as a compound financial instrument. The existence of warrants required the separation of debt from the equity piece of the notes.

Equity settled share transactions reserve records all entries that result in the Groups requirement to settle its obligations in the form of the issue of shares.

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Group's net investment in foreign subsidiaries.

Notes to the Consolidated Financial Statements

32. Equity minority interests

At 31 December 2009, equity minority interest is represented by minority interests in IFG Investment and Mortgage Services Limited, IFG Mortgage & Assurance Services Limited and FNTC Finance Limited. IFG Investment and Mortgages Services Limited and IFG Mortgage & Assurance Services Limited are both 50% holdings but are consolidated as subsidiaries as the casting vote on the boards of the companies lies with the Group.

33. Operating lease commitments

The Group leases various properties and equipment under non-cancellable operating lease agreements. The lease expenditure charged to the income statement during the year is disclosed in note 13. The leases have varying conditions and terms.

The future aggregate minimum lease payments under the non-cancellable operating leases are as follows:

	2009 €'000	2008 €'000
- within one year	**2,644**	2,431
- in the second to fifth year	**8,304**	7,414
- over five years	**19,291**	20,182
	30,239	30,027

34. Commitments and contingencies

1. Given the nature of the business the Group has a number of claims against it. The Group has procedures in place to assess the veracity of the claims and provision has been made to cover its best estimate of the exposure in respect of these matters.
2. Certain subsidiaries of the Company have a contingent liability for any levy in relation to independent financial advisers under the UK Investors Compensation Scheme. There is no basis at the present time for assessing the likelihood or the likely level of any such levy.

Notes to the Consolidated Financial Statements

35. Cash generated from operations

	2009 €'000	2008 Restated €'000
Continuing operations		
Profit before income tax	**8,641**	13,199
Depreciation and amortisation	**6,622**	5,142
Loss on sale of property, plant and equipment	**6**	14
Finance costs	**2,229**	3,926
Finance income	**(713)**	(1,027)
Group share of loss of associates	**79**	-
Foreign exchange gain	**(277)**	(3,543)
Non-cash share based payment compensation charges	**1,511**	1,527
(Increase)/decrease in trade & other receivables	**(77)**	2,290
Loan to associates	**(11)**	(16)
Decrease in trade & other payables	**(55)**	(6,810)
Cash generated from continuing operations	**17,955**	14,702
Discontinued operations		
Loss before income tax	**(1,102)**	(1,100)
Depreciation and amortisation	**92**	96
Finance income	**-**	(1)
Finance costs	**3**	4
Non cash share based payments compensation charges	**16**	40
Decrease in trade & other receivables	**249**	1,886
Decrease in trade & other payables	**(101)**	(887)
Cash flow from discontinued operations	**(843)**	38
Cash generated from operations - net	**17,112**	14,740

Notes to the Consolidated Financial Statements

36. Analysis of net debt

	Opening balance €'000	Cash flow €'000	Other non cash charges €'000	Closing balance €'000
Cash and short term deposits	22,540	(1,302)	1,237	**22,475**
Overdrafts	(1,256)	877	(148)	**(527)**
	21,284	(425)	1,089	**21,948**
Loans due within one year	(10,511)	7,575	(8,225)	**(11,161)**
Loans due after one year	(56,610)	(3,950)	5,837	**(54,723)**
Senior unsecured notes due within one year	(920)	920	-	**-**
Finance leases	(52)	46	(1)	**(7)**
Total	**(46,809)**	**4,166**	**(1,300)**	**(43,943)**

Significant non-cash movements

Included in the non-cash movements of €1,300,000 are exchange rate movements of €1,182,000 and amortisation of capitalised debt facility costs of €118,000.

37. Related party transactions

For the purposes of the disclosure requirements of IAS 24, IFG Group has defined the term "key management personnel", as its Directors. In addition to their salaries, the Group also provides non-cash benefits to Directors and executive officers, and contributes to post-employment plans on certain Directors behalf. Executive Directors also participate in the Group's share option programme (page 24).

	2009 €'000	2008 €'000
Salaries and other short term benefits	**2,663**	3,215
Post employment benefit	**455**	772
Share based payment compensation	**1,197**	1,177
Charged to Income Statement	**4,315**	5,164

Notes to the Consolidated Financial Statements

On 17 February 2009, the Group acquired a 26% interest in Simply Mortgages Holdings Limited, an Irish entity. In addition it also advanced a €400,000 loan to Simply Mortgages Limited secured on an insurance renewal book of the company. This is classified within "Other non-current assets".

At 31 December 2009, Group companies were owed €1,291,000 (2008: €1,289,000) by Rayband Limited. These advances are unsecured, interest free and have no fixed repayment date. This company is controlled by Patrick Joseph Moran, a Director of IFG Group plc.

During 2009 Bosberg Limited, a company of which Victor Quigley, a Director of the Company is a director, earned €133,000 from Group companies in respect of the provision of services, including the sourcing of clients.

During 2009 Group companies earned €85,000 (2008: €97,000) from TFC Limited, a company based in the Isle of Man and with whom Declan Kenny, Chief Executive of the International segment is a director. This related to the provision of services to TFC from Group companies. In addition €60,000 was received as payment for services provided during 2009 and prior years. Additionally, Group companies earned €11,000 from TFCs' parent Tanyl Limited of which Declan Kenny is also a director and shareholder of Tanyl Limited.

During 2009, Thomas Wacker, a non-executive Director of Group, invoiced €14,000 to Saunderson House Limited, a direct subsidiary of the Group, for services rendered during the year.

38. Events since the year end

On 9 December 2009, the company announced that it had signed an agreement to acquire James Hay Holdings Limited (James Hay), a UK incorporated company. The transaction was finalised on 10 March 2010 and payment of £35,000,000 (approximately €38,600,000) in cash plus additional adjustable payment for the net assets of £3,900,000 (approximately €4,300,000) was made at that date. The Financial Services Authority approved the transaction on the same date.

To fund the acquisition, the Group has raised €51,150,000 (before expenses) through a Placing and Open Offer of 48,263,932 new ordinary shares and the allotment of a further 451,627 new ordinary shares. Such shares were admitted to trading in March 2010.

On 30 March 2010, the Company issued 395,832 Ordinary Shares to the Employee Benefit Trust on behalf of the Participants in the Long Term Incentive Plan. The market price of these Ordinary shares at date of issue was €1.35 per share.

39. Loss for the financial year

In accordance with section 148(8) of the Companies Act, 1963 and section 7 (1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the annual general meeting and from filing it with the Registrar of Companies. The Company's loss for the year determined in accordance with Irish GAAP is €3,072,000 (2008: Loss €4,800,000).

40. Approval of financial statements

The Directors approved the financial statements on 23 April 2010.

Independent auditor's report to the members of IFG Group plc

We have audited the Company financial statements of IFG Group plc for the year ended 31 December 2009 which comprises the Balance Sheet and the related notes. These Company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of IFG Group plc for the year ended 31 December 2009.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the Company financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the Company financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and have been properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the Directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting of the company; such a financial situation may exist if the net assets of the company, as stated in the balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited Company financial statements. The other information comprises the Report of the Directors, the Chairman's Statement, the Chief Executive's review and the Corporate Governance statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Company financial statements. Our responsibilities do not extend to any other information.

Independent auditor's report to the members of IFG Group plc

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Company financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Company financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Company financial statements.

Opinion

In our opinion the Company financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2009 and have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Report of the Directors' is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2009 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

Dublin

23 April 2010

Company Balance Sheet - Irish GAAP

As at 31 December 2009

	Notes	2009 €'000	2008 €'000
Financial Assets			
Investments in subsidiaries	1	**79,564**	85,288
Current assets			
Debtors	2	**69,796**	67,917
Restricted cash - held in escrow		**1,200**	1,200
Cash at bank and in hand		**-**	21
		70,996	69,138
Creditors (amounts falling due within one year)	3	**(73,254)**	(67,123)
Net current assets		**(2,258)**	2,015
Total assets less current liabilities		**77,306**	87,303
Creditors (amounts falling due after one year)		**-**	-
		77,306	87,303
Provisions for liabilities	4	**(370)**	(4,713)
		76,936	82,590
Capital and reserves			
Share capital	5	**9,009**	8,909
Share premium	6	**57,668**	60,025
Capital conversion reserve fund	6	**414**	414
Other reserves	6	**7,461**	6,016
Retained earnings	6	**2,384**	7,226
Total shareholders' funds	7	**76,936**	82,590

On behalf of the Board:

P J Moran
(Chairman)

M G Bourke
(Chief Executive)

Accounting Policies - Company

The principal accounting policies of the company are listed below:

Basis of Preparation

The financial statements are prepared in Euro, denoted by the symbol €'000 and are prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

In accordance with section 148(8) of the Companies Act, 1963 and section 7(1A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the annual general meeting and from filing it with the Registrar of Companies. The Company's loss for the year determined in accordance with Irish GAAP is €3,072,000 (2008: Loss €4,800,000).

Basis of Accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain financial assets.

Financial assets

The Company classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides services directly to a customer with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet and are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the customer, delinquency in payments are considered to be indicators of a receivable being impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the income statement in administrative expenses. When a trade receivable is uncollectible, it is written off against the provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

Accounting Policies - Company

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either classified in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the balance sheet date.

All financial assets are initially recorded at fair value, including transaction costs. All purchases and sales are recognised on the settlement date. Available-for-sale financial assets are subsequently carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recorded in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risk and rewards of ownership.

Financial assets are assessed for impairment at each balance sheet date. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. For such assets, any impairment charge is the amount currently carried in equity for the difference between the original cost, net of any previous impairment, and the fair value.

Investments in subsidiaries are stated in the Company's Balance Sheet at cost, unless they have been impaired in which case they are carried at net realisable value or value in use as appropriate. In situations where the event that caused the original impairment loss has reversed in a way not foreseen in the original impairment assessment, the impairment loss is reversed.

Deferred taxation

Deferred tax is provided on all material timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits/(losses) computed for tax purposes and profits/(losses) as stated in the financial statements dealt with in different years for tax purposes.

Foreign currencies

Transactions denominated in foreign currencies are translated into Euro at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All translation differences are taken to the income statement.

Accounting Policies - Company

Dividends

Dividends on ordinary shares are recognised as a liability in the company financial statements in the period in which the dividends are approved by the Company's shareholders. Dividends declared after the end of the reporting period are disclosed in note 16 in the Group financial statements.

Share based payment compensation

The company operates a number of equity-settled, share-based compensation plans for employees of some of its subsidiaries. The fair value of the employee services received in exchange for the equity instruments granted in each of the investments held by the company is recognised as an addition to the investment with a corresponding increase in equity. The fair value of share options is determined using the Black-Scholes model while the fair value of shares awarded is estimated as the market price of the shares at the grant date. The total amount to be expensed over the vesting period is determined by reference to the fair value of the equity instrument granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of equity instruments that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received by the company when share options are exercised are credited to share capital (nominal value) and share premium.

In line with the transitional arrangements set out in FRS 20, "Share Based Payment", the recognition and measurement principles of this standard have been applied only in respect of share entitlements granted after 7 November 2002 and not vested by 1 January 2005.

The Company does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in FRS 20.

Borrowings

All borrowings are initially recognised at fair value, net of transaction costs incurred.

After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any transaction costs, and any discount or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised or impaired, as well as through the amortisation process.

Borrowings are classified as current unless there is an enforceable entitlement to repay balances more than twelve months after the balance sheet date is which case they are classified as non-current.

Accounting Policies - Company

Convertible loan notes are regarded as compound financial instruments, consisting of a liability component and an equity component. The fair value of the liability component is estimated using the prevailing market interest rate at the date of issue for similar non-convertible debt. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds are allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Contingent consideration

To the extent that contingent purchase and earnout obligations are payable after the balance sheet date, the carrying value on the balance sheet is the net present value of the obligation arrived at using an appropriate pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. Adjustments to the fair value of the obligation arising from changes in estimates are accounted for as changes to the cost of the investment.

Notes to the Company Balance Sheet - Irish GAAP

1. Investments in subsidiaries

	€'000
Cost	
At 1 January 2009	
Cost	87,557
Additions	2,842
Reversal of contingent consideration	(4,343)
Capital contribution in respect of share based payment compensation	1,527
At 31 December 2009	**87,583**
Impairment provision	
At 1 January 2009	(2,269)
Impairment	(5,750)
At 31 December 2009	**(8,019)**
Net book amount	
At 31 December 2008	85,288
At 31 December 2009	**79,564**

Principal subsidiaries are listed on pages 115 to 118.

2. Debtors

	2009 €'000	2008 €'000
Amounts receivable within one year		
Amounts due from subsidiaries	**65,056**	63,188
Loans to associates	**1,291**	1,289
Other debtors	**22**	17
Prepayments	**4**	-
	66,373	64,494
Amounts receivable after one year		
Amounts due from subsidiaries	**3,423**	3,423
	69,796	67,917

The carrying value less impairment provision of debtors and other receivables approximates fair value. All receivables from subsidiary undertakings are interest free.

Notes to the Company Balance Sheet - Irish GAAP

3. Creditors (amounts falling due within one year)

	2009	2008
	€'000	€'000
Bank advances	**2,936**	3,661
Trade and other creditors	**762**	10
Accruals and deferred income	**2,560**	163
Senior unsecured notes	**-**	920
Amounts due to subsidiaries	**66,996**	62,369
	73,254	67,123

Creditors for taxation and social welfare included above	**17**	-

The carrying amount of creditors approximates fair value.

4. Provisions for liabilities

	2009	2008
	€'000	€'000
At 1 January	**4,713**	-
Acquisition of subsidiaries	**-**	4,679
Reversal of contingent consideration	**(4,343)**	-
Unwinding of discount	**-**	34
At 31 December	**370**	4,713

Reversal of contingent consideration

In 2008, the Group acquired 100% of the ordinary share capital of Nameridge Limited ("Nameridge"). The initial consideration of €1,800,000 was paid on completion and a further €1,200,000 was placed in escrow with further contingent consideration of €3,500,000 payable based on the achievement of agreed revenue and new business thresholds in the three year period from completion. Following a detailed review of the forecasts for the remainder of the performance period it has been assessed that the full contingent consideration recorded as part of the accounting for the business combination will not be paid out. Goodwill and contingent consideration have been reduced by €2,149,000 to reflect the results of the detailed review.

Notes to the Company Balance Sheet - Irish GAAP

In October 2008, the Group acquired 100% of the interest in the share capital of Pensco Limited, now trading as IFG Pensco Limited. Contingent consideration was payable by reference to revenue and profit thresholds in the period to 2012. The assumptions underlying the required growth in the business are no longer deemed to be attainable and an adjustment to goodwill and the fair value of the contingent consideration obligation of €2,194,000 has been made.

The expected timing of the outflows is in 2013. The cashflows are contingent on the achievement of revenue and profit targets and relate to prior year business combination.

5. Share capital

Authorised	**2009 No of shares**	**2009 €'000**	2008 No of shares	2008 €'000
Ordinary shares of 12c each	**85,187,210**	**10,222**	85,187,210	10,222
"A" ordinary shares of €1.27 each	**8,200**	**10**	8,200	10
		10,232		10,232

Allotted and fully paid up	**No of shares**	**€'000**
At 1 January 2008	69,665,950	8,360
Share options exercised during year	458,318	55
Shares issued under LTIP during year	687,501	83
Shares issued during year	3,432,958	411
At 31 December 2008	74,244,727	8,909
Share options exercised during year	145,000	18
LTIP shares issued during year	687,501	82
At 31 December 2009	**75,077,228**	**9,009**

Notes to the Company Balance Sheet - Irish GAAP

6. Other reserves

	Share premium €'000	Capital conversion reserve fund €'000	Other reserves €'000	Retained earnings €'000	Total €'000
At 31 December 2007	53,032	414	4,532	14,798	72,776
Value of employee services :					
- Share options	-	-	317	-	317
- LTIP	-	-	1,250	-	1,250
Equity shares issued for the LTIP	-	-	(83)	-	(83)
Exercise of equity share options	442	-	-	-	442
Issue of new shares	6,551	-	-	-	6,551
Loss for the year	-	-	-	(4,800)	(4,800)
Dividends	-	-	-	(2,772)	(2,772)
At 31 December 2008	60,025	414	6,016	7,226	73,681
Value of employee services :					
- Share options	-	-	277	-	277
- LTIP	-	-	1,250	-	1,250
Equity shares issued for the LTIP	-	-	(82)	-	(82)
Write off of expenses relating to share placement post year end	(2,484)	-	-	-	(2,484)
Exercise of equity share options	127	-	-	-	127
Loss for the year	-	-	-	(3,072)	(3,072)
Dividends	-	-	-	(1,770)	(1,770)
At 31 December 2009	**57,668**	**414**	**7,461**	**2,384**	**67,927**

Notes to the Company Balance Sheet - Irish GAAP

7. Reconciliation of movements in shareholders' funds

	2009	2008
	€'000	€'000
Loss for the year	**(3,072)**	(4,800)
Dividends	**(1,770)**	(2,772)
Issue of new shares	**-**	6,962
Write off of expenses relating to share placement post year end	**(2,484)**	-
Exercise of equity share options	**145**	497
Value of employee services :		
- Share options	**277**	317
- LTIP	**1,250**	1,250
Net (reduction)/addition to shareholders' funds in the year	**(5,654)**	1,454
Shareholders' funds at 1 January	**82,590**	81,136
Shareholders' funds at 31 December	**76,936**	82,590

8. Related party transactions

Transactions with entities that are part of the Group or investees of the Group qualifying as related parties are not disclosed as the company is exempt from such disclosures under Paragraph 3(c) of FRS 8 - Related Party Disclosures.

9. Statement of cash flows

The Company has taken advantage of the exemption from preparing a statement of cash flows under the terms of Financial Reporting Standard number 1 (as 1996 revised) on the grounds that a Group statement of cash flows in included in the consolidated financial statements which are publicly available and include the results of the Company.

Notes to the Company Balance Sheet - Irish GAAP

10. Commitments & Contingencies

The Company along with some of the subsidiaries has guaranteed certain obligations of its subsidiary companies totalling €64,193,000 (2008: €66,435,000).

11. Section 17 Guarantee

Pursuant to the provisions of Section 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of its wholly-owned subsidiary undertakings in the Republic of Ireland for the financial year ended 31 December 2009 and, as a result, such subsidiary undertakings have been exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986 and Regulation 20 of the European Communities (Accounts Regulations) 1993 respectively.

12. Approval of financial statements

The Directors approved the financial statements on 23 April 2010.

Principal Operating Subsidiaries and Associated Undertakings

COMPANY	PRINCIPAL ACTIVITIES	SHAREHOLDING AND VOTING RIGHTS %
PRINCIPAL OPERATING SUBSIDIARIES (INCORPORATED IN IRELAND)		
IFG Holdings Limited	Holding company	100
IFG Securities Limited	Group administration services	100
IFG Investment and Mortgage Services Limited	Distributor of financial products and services	50
IFG Quigley Limited	Pension and investment consultants	100
IFG Mortgage and Assurance Services Limited	Life assurance and mortgage broker	50
Planlife Advisory Services Limited	Employee benefit consultants	100
IFG Pensco Limited	Employee benefit consultants	100
The Endowment Policy Purchasing Company Limited	Purchase and sale of marketable endowment policies	100
Trade Credit Brokers Limited	Credit insurance services	100
Title Underwriting (Ireland) Limited	Provision of title insurance services	100
All at IFG House, Booterstown Hall, Booterstown, Co Dublin telephone (353-1) 2752800 fax (353-1) 2752801		
IFG Managed Services Limited	Trust and corporate management and consultancy services/administration services	100
Universal House, Shannon, Co Clare telephone (353-61) 364 350 fax (353-61)703 440		
(INCORPORATED IN THE ISLE OF MAN)		
IFG Holdings (IOM) Limited	Holding company	100
IFG International Limited	Trust and corporate management and consultancy services/administration services	100
First National Trustee Company Limited	Trustee and administration services	100
IFG Fund Administration (IOM) Limited	Fund administrators	100
All at International House, Castle Hill, Victoria Road, Douglas, Isle of Man telephone (44 1624) 630 600 fax (44 1624) 624 469		

Principal Operating Subsidiaries and Associated Undertakings

COMPANY	PRINCIPAL ACTIVITIES	SHAREHOLDING AND VOTING RIGHTS %
(INCORPORATED IN JERSEY)		
IFG Trust (Jersey) Limited	Trust and corporate management and consultancy services/administration services	100
IFG Fund Administration (Jersey) Limited	Fund administrators	100
Wellington House, 15 Union Street, St Helier, telephone (44 1534) 714 500 fax (44 1534) 767 787		
(INCORPORATED IN SWITZERLAND)		
IFG Suisse S.A.	Trust and corporate management and consultancy services/administration services	100
IFG Treuhand	Trust and corporate management and consultancy services/administration services	100
7 Rue du Mont-Blanc, PO Box 1069, 1211 Geneva 1 telephone (41 22) 716 3220 fax (41 22) 716 3239		
(INCORPORATED IN CYPRUS)		
IFG Trust (Cyprus) Limited	Trust and corporate management and consultancy services/administration services	100
Chapo Central Building, 3rd Floor, 20 Spyrou Kyrianou Avenue, 1075 Nicosia telephone (357) 22 749 000 fax (357) 22 749 100		
(INCORPORATED IN BVI)		
IFG Asia Limited	Independent financial advisor	100
8F Shimbashi Kato Building, 5-26-8 Shimbashi, Minato-ku, Toyko 105-0004, Japan telephone (813) 3436 2001 fax (813) 4496 4665		

Principal Operating Subsidiaries and Associated Undertakings

COMPANY	PRINCIPAL ACTIVITIES	SHAREHOLDING AND VOTING RIGHTS %
(INCORPORATED IN U.K.)		
IFG UK Holdings Limited	Holding company	100
IFG Financial Services Limited	Independent financial advisor	100
DK Wild & Company Limited	Independent financial advisor	100
Foster & Cranfield Limited	Auction of financial assets	100
John Siddall Financial Services Limited	Independent financial advisor	100
The IPS Partnership plc	Pensioneer trustee and pension scheme administrators	100
Associated Risk Consultants Limited	Credit insurance services	100
Trade Credit Brokers (UK) Limited	Credit insurance services	100
All at Trinity House, Anderson Road, Swavesey, Cambridgeshire, telephone (44 1954) 233 555 fax (44 1954) 233 500		
Saunderson House Limited	Independent financial advisor	100
1 Long Lane, London, EC1A 9HA telephone (44 207) 315 6500 fax (44 207) 315 6550		
IPS Pensions Limited	Actuarial and pension administration services	100
Queen Square House, 18/21 Queen Square, Bristol, B51 4NH telephone (44 117) 929 0941 fax (0044 117) 922 5076		
James Hay Holdings Limited	Holding Company	100
James Hay Administration Company Limited	Provider of SIPPs	100
Dunn's House St Paul's Road Salisbury SP2 7BF telephone (44) 0845 850 4455 fax (0044) 0845 850 44666		
(INCORPORATED IN FRANCE)		
Siddalls France SASU	Independent financial advisor	100
Parc Innolin, 3 Rue de Golf, 33700 Merigneac, telephone (00 33) 55 6 34 75 51 fax (33) 5 56 34 75 52		

Principal Operating Subsidiaries and Associated Undertakings

COMPANY	PRINCIPAL ACTIVITIES	SHAREHOLDING AND VOTING RIGHTS %
(INCORPORATED IN U.S.A.)		
FNTC America Trust Company Inc.	Independent financial advisor	100
Birch Pond Park, Suite 349, Amherst St, Nashua, New Hampshire, 03063 (00 1) 866 978 2571 fax (1)603 595 7220		
PRINCIPAL ASSOCIATES (INCORPORATED IN IRELAND)		
Rayband Limited	Property development	35
Simply Mortgages Holdings Limited	Life assurance, mortgage processors and brokers	26
IFG House, Booterstown Hall, Booterstown, Co Dublin telephone (353-1) 2752800 fax (353-1) 2752801		

Notes

1. The companies operate principally in their countries of incorporation.
2. Pursuant to Section 16 of the Companies Act, 1986, a full list of subsidiaries and associates will be annexed to the Company's Annual Return to be filed in the Companies Registration Office in Ireland.

Notes

Notes

Group Financial Record

Adjusted profit
€'000

Adjusted earnings per share
€Cent

Revenue
€'000

Dividend per ordinary share
€Cent

IFG Group plc

IFG House, Booterstown Hall, Booterstown, Co Dublin

Telephone (353-1) 275 2800 Fax (353-1) 275 2801

E-Mail: group@ifg.ie