2021
Annual Report

Technology to perform better every day.

iress

We provide technology to power financial services.

What's our purpose?

We believe technology should help people perform better every day.

What are we trying to do?

Make it easy for people to love financial services.

If we get there, what will we become?

The essential partner for forward-thinking financial services businesses.

Our values

We make things happen.
We do things the right way.
There's got to be a better way.
Clients, clients, clients.

Annual General Meeting (AGM) details
The AGM will be a hybrid event, with the option to attend online or in person (subject to local government restrictions) on:
Thursday 5 May 2022, 11.30am AEST
King & Wood Mallesons
Level 27, Collins Arch,
447 Collins St,
Melbourne VIC 3000, Australia

4,400

client sites & services moved to the Iress Cloud Platform (ICP) to date

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2021 highlights

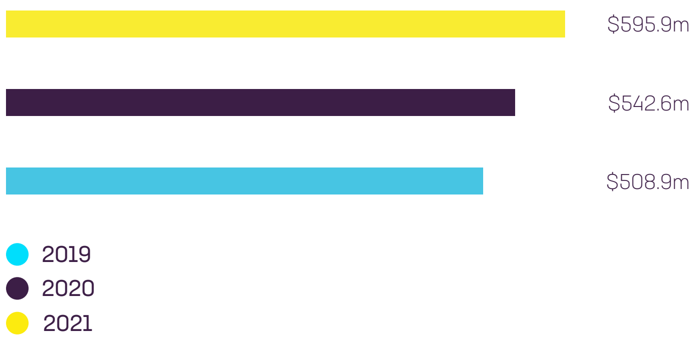
Reported NPAT up 25%.
Strategy execution underway,
2025 targets reaffirmed.

Financial

Operating revenue AUD (m)

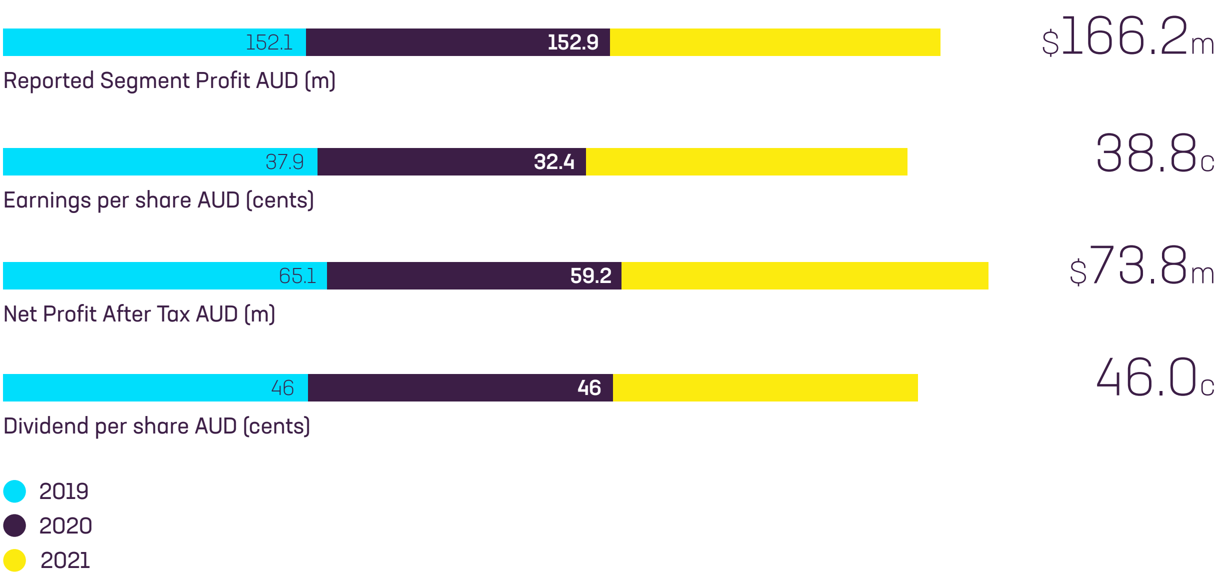
$595.9m

+11% on a constant currency basis
+10% on 2020



Shareholder

Sustainable return for shareholders



Operational

Cloud adoption

4,400

client sites & services moved to the Iress Cloud Platform (ICP) to date

Sales & service effectiveness

3,000+hrs

of sales and service training completed by our people to improve high quality client service

Iress Community

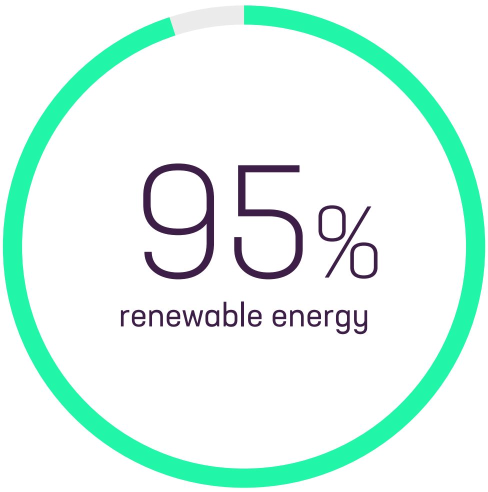
16,000+

active users to date

ESG

Renewable energy in Sydney & Melbourne offices

(representing 95% of our Australian footprint)



Supporting refugee employment

Employment of two software engineers from Syria and Iraq to support refugee employment through Talent Beyond Boundaries

iress foundation

The Iress Foundation was established in 2017 to focus our effort and support towards an already strong and engaged community. The guiding principles established then still remain relevant today: facilitate, support, and promote people engagement; make a visible, reliable, and meaningful contribution to partner charities.

+$231k

donated to charitable causes

615

volunteering hours

36

charities supported

Business overview

Iress is a leading technology company, designing and developing software and services for the financial services industry. Iress operates across Asia Pacific, the United Kingdom & Europe, Africa, and North America.

Our people & locations across the globe

2,224
Globally

1,200
Asia Pacific

725
UK & Europe

55
North America

244
Africa

Where our people focus

54%
Product & technology

26%
Commercial

10%
Client solutions

10%
Corporate

Software & clients

Our clients range from small retail to large institutional businesses across the financial services industry. Our technology sits at the centre of our clients' businesses, supporting their core operations with essential infrastructure and functionality, helping them to deliver to their clients, members and customers.

Integrations	Clients	Users
550+	10k+	500k+

	Software		Clients
Financial advice	**Integrated financial advice software including:** • client management • business automation • portfolio data • research	• financial planning tools • scaled advice journeys • digital client solutions • data-driven compliance and analytics • regulatory obligations management	Institutional and independent advisory.
Trading & market data	**Global market data and trading software including:** • market data • trading interfaces • order and execution management • smart order routing • FIX services • portfolio management	• securities lending • analytical tools • algorithmic trading • market making • CFD clearing • post trade solutions • trading and market data APIs	Institutional sell-side brokers, retail brokers, and online brokers.
Investment management	**Global investment management and trading software including:** • portfolio management • order and execution management services • FIX services • analytical tools • connectivity	**Integration solutions including:** • market data • order management • portfolio management • client relationship management • wealth management **Funds administration services including:** • fund registry • retail platform licensing and technology **Fund data distribution via Iress Blockchain**	Investment managers, investment platforms, fund managers, private client advisers and managers, wealth managers, custodians, and retail platforms.
Superannuation	**Superannuation administration software including:** • fund registry • digital member portal	• digital advice solutions • fund administration services	Superannuation funds.
Mortgages	**Multi-channel mortgage sales and origination software including:** • automated workflow • application processing • connectivity	**Mortgage intermediary software including:** • mortgage comparison • mortgage advice • lender connectivity	Mortgage lenders and intermediaries.
Life & pensions	**Insurance and pension sourcing software including:**	• quoting • comparison • application processing	Institutional and independent advisory, and insurance intermediaries.

Chair & CEO's letter

As we entered the second year of the global pandemic, 2021 proved in many ways just as turbulent as the year it followed. Despite these challenges, Iress continued to make strong progress towards our goal of becoming the essential partner for forward-thinking financial services businesses, with technology and transformation remaining core to our clients' ability to adapt to change.

Our demonstrated adaptability, agility and innovation over the past year, has placed us in a strong position to achieve our goals.

We are pleased to report strong results for 2021. Return on invested capital (ROIC) was up 130 basis points to 10.5% with earnings per share (EPS) up 20% on 2020 on a reported basis.

With a refreshed Board, new members of the management team leading product and sales, and a continued client-focus from our people, Iress is making good progress on our mission:

to make it easy for people to love financial services and to become the essential partner for forward-thinking financial services businesses.

In 2021, Iress Management remained committed to two core priorities for guiding our ongoing response to COVID-19: uninterrupted service delivery to clients, and the health and wellbeing of our people.

Lockdowns continued to be a feature of how we lived and worked in 2021. Pleasingly, Iress has been able to operate remotely for extended periods of time as required without any negative impact on operations or productivity. The health and safety of our people has remained paramount. We continue to take a cautious approach to reopening offices in line with local conditions, while supporting our people to manage their mental and physical health and wellbeing.

The Board and Management are proud of how our people have continued to demonstrate resilience and adaptability in responding to the pandemic– including being focused on supporting our clients, users and each other.

From January 2021, we commenced the integration of OneVue and its people into the Iress business. This program has met all milestones, with a commercial launch of an integrated Iress and OneVue offering on track for delivery in 2022.

In May 2021, we welcomed our new Board Chair, Roger Sharp. The period following this appointment was eventful.

Following consultation with major shareholders, in February we instigated an extensive internal review of Iress' product and technology profile, geographical focus, and financial returns.

The resulting strategy update was announced to the market on 29 July, and included measures aimed at accelerating growth and returns for shareholders with a new medium target to more than double net profit after tax and earnings per share by 2025.

A key component of this strategy is the delivery of a single product and technology platform, driving intellectual property and experience into multiple offerings, accelerating product development and delivery, and creating a seamless technology experience for clients and users.

The execution of our strategies to leverage our technology, add more value to our clients, and build scale across our geographic markets will deliver profitable growth and improved returns.

Also in July, Iress received the first of a number of confidential, unsolicited, non-binding offers from EQT Fund Management S.à r.l. (EQT) to acquire all of Iress' shares. Following careful consideration, the Iress Board decided it was important to engage with EQT to determine whether value could be maximised for shareholders through these offers. The Board has a clear idea of the value of the company, and held firm on its price expectations.

In September, it was announced that discussions between Iress and EQT concluded with the parties unable to agree a transaction.

Iress has continued with plans to accelerate growth and returns to shareholders. The transition to this platform has continued at pace. In 2021, we appointed a Global Head of Technology Platform to lead this work, and our cloud transition and optimisation is progressing well.

In October, we announced the departure of two executives. Michael Blomfield, Chief Commercial Officer, left Iress immediately for health reasons and Coran Lill, Chief Communications and Marketing Officer, resigned and left Iress in December.

In December, it was announced that Simon New, previously Chief Client Solutions Officer, would become Iress' Chief Commercial Officer. Additionally Kelly Fisk, previously Head of Communications & Marketing (APAC & South Africa), was announced as Chief Communications and Marketing Officer.

Strategic priorities

Under the leadership of Iress' Chief Product Officer, Joydip Das, Iress has established global product design, enabling us to focus on applying consistent and scaled best practice principles to our software and services. Building on our collaboration with the Australian financial services industry in 2020, in 2021 we launched two market-leading industry services to support the industry to meet their compliance obligations in Australia. Iress' Advice Fee Consent (AFC) solution and Design and Distribution Obligations (DDO) solution are industry-wide technology-based solutions that leverage blockchain technology to help clients meet their compliance obligations in an efficient, secure, and cost-effective manner.

We have undergone an extensive program of work to uplift our ways of working across Iress, embracing a new sales and service methodology throughout our commercial teams. In 2021, the Iress-wide sales training rollout made significant inroads towards the uplift of our sales and services capabilities. Representatives from all parts of Iress were included in over 3,000 hours of training, and 93% of our commercial team are now certified to improve our high-quality client service. This supports our objective of building and sustaining strategic relationships with our clients, driven by excellence in every interaction.

Attracting and retaining the best people remains core to Iress' success. Like many organisations, we have not been immune to the talent mobility challenges brought about by the pandemic. Our approach of leveraging a diverse range of channels for attracting talent continues, including through partners such as Talent Beyond Boundaries. The announcement of 'The Long Weekend' at Iress—a new way of working that entitles all employees up to six long weekends every year—was warmly welcomed and will reinforce Iress as an innovative and desirable place to work.

Overall, we see Iress as well-placed to grow. The Iress Board and Management continue to be proud of our peoples' unwavering focus on building market-leading software and services and cultivating strong client relationships. Our plans to accelerate growth build upon the strong, successful, and leading technology business we are today.

Environmental, Social & Governance (ESG)

Iress has made significant progress on our ESG approach.

In 2021 we were recognised by the Australian Council of Superannuation Investors (ACSI) in their assessment of ESG reporting by ASX200 companies. Iress was one of only 34 ASX200 companies to achieve a 'Detailed' rating—recognising our commitment to continuous improvement.

In 2021, we also appointed Amarjot Bagga as Head of Social Impact and Iress Foundation to engage the business and stakeholders on ESG and continue building our impact. This involved the development of a 2025 environmental and social impact strategy following a process of comprehensive stakeholder interviews, analysis of our own ESG processes and a review of external ESG best practice and methodologies, globally.

In 2022, we look forward to continuing our ESG journey through our commitment to set science-based targets for emissions reduction and have meaningful impact through Iress Foundation initiatives.

Capital management

The company is focused on improving earnings per share and achieving improved returns on capital deployed.

During 2021 we announced and launched an on-market share buyback for up to $100m. We completed 48% of the $100m on-market buyback in 2021, with the balance to be completed in 2022. Our potential sale of UK mortgages business is progressing, with indicative offers being received in the first quarter of calendar 2022.

Remuneration structure

The strategy update launched on 29 July 2021 targets a more than doubling of earnings per share (EPS) and significantly improving returns on capital deployed over a five-year period to 2025.

Central to this plan is to build and launch a single product and technology platform and operating model, integrating Iress' key product features.

The current remuneration structure does not align with these goals, and this year we plan to implement a new equity plan that aligns directly to these goals and to shareholder outcomes of these goals. The key characteristics of the plan are that it will align awards with performance not only in share price but in EPS, return on invested capital and delivery of platform goals.

In the most competitive market for technology talent that the Iress Board has seen, this equity plan is a vital tool to retain, attract and motivate the team.

Board structure

The Iress Board has been going through a renewal process, with the retirement of Chair Tony D'Aloisio and two Non-Executive Directors John Hayes and Geoff Tomlinson in 2021.

In 2022 John Cameron will retire from the board. A search is underway to replace John, whom we thank for his insights and commitment over many years.

Financial results

Our reported segment profit for the year was $166.2m, up 9% from 2020, while NPAT grew 25% to $73.8m. Reported ROIC increased 130 basis points to 10.5% while reported EPS grew 20% to 38.8 cents per share in 2021.

Recurring revenue, which underpins our group, increased by 12%, making up around 90% of total revenue. We have strong revenue growth, up 11% versus 2020 in constant currency. This has largely been driven by the full period impact of the OneVue acquisition, growth in Australia, mortgages, and North America.

We continue to make good progress in executing our growth strategies, including providing Australian superannuation funds with a highly efficient, outsourced administration solution. GuildSuper went live in 2021, delivering superior member experience, lowering risk, and providing cost certainty to the fund. Our UK margins have increased by 1% versus 2020, and two mortgage clients went live in 2021. In North America, revenue in local currency increased by 14% in 2021, reflecting the go-live of a retail trading system to a Tier 1 bank in 2020, and additional project work to meet new regulatory requirements. Our OneVue integration is meeting milestones, with the commercial launch of pilot integration in the second half of 2021. Funds registry FUM is $869bn, up 11% (1 Jan 2021 to 31 Dec 2021).

The recovery from the impact of COVID-19 varies from location to location. Overall, projects are progressing well and our pipelines remain strong.

We have a positive outlook for 2022. Our growth strategies in the UK, superannuation, and investment infrastructure are well placed to capitalise on in 2022 with major contracts already won.

Your dividend

The final dividend is 30 cents per share franked to 15%, bringing the full year 2021 dividend to 46.0 cents per share, franked to 38% at a 30% corporate tax rate. Iress continues to maintain a conservative balance sheet at a leverage ratio[1] of 1.4x segment profit.

Annual General Meeting (AGM)

Subject to any government restrictions relating to the pandemic, it is the Board's intention to have a hybrid AGM via video conferencing and in person. The meeting is scheduled for 11.30am on Thursday 5 May 2022 at King & Wood Mallesons in Melbourne.

1. Net debt (borrowings plus net derivatives less cash and cash equivalents) divided by last twelve months Segment Profit.

Thank you

Thank you to our shareholders, our clients and users, and to Iress' 2,224 people. As we move through 2022, we are excited by the opportunities ahead of us to accelerate growth and transform the industry we serve.

Roger Sharp
Chair

Andrew Walsh
Managing Director & CEO

Our vision & strategy

Our vision

Simpler, faster with higher returns

In July 2021, Iress outlined to the market our strategy goals aimed at accelerating growth and scale to double NPAT by 2025.

Our plans to accelerate growth build upon Iress' unique foundations in the financial technology market today, leveraging our capability and assets. We believe these will translate to benefits for clients and users, our people, and returns for our shareholders. These plans have been in development since late 2020, when we began a strategic review with a view to accelerating returns and increasing pace.

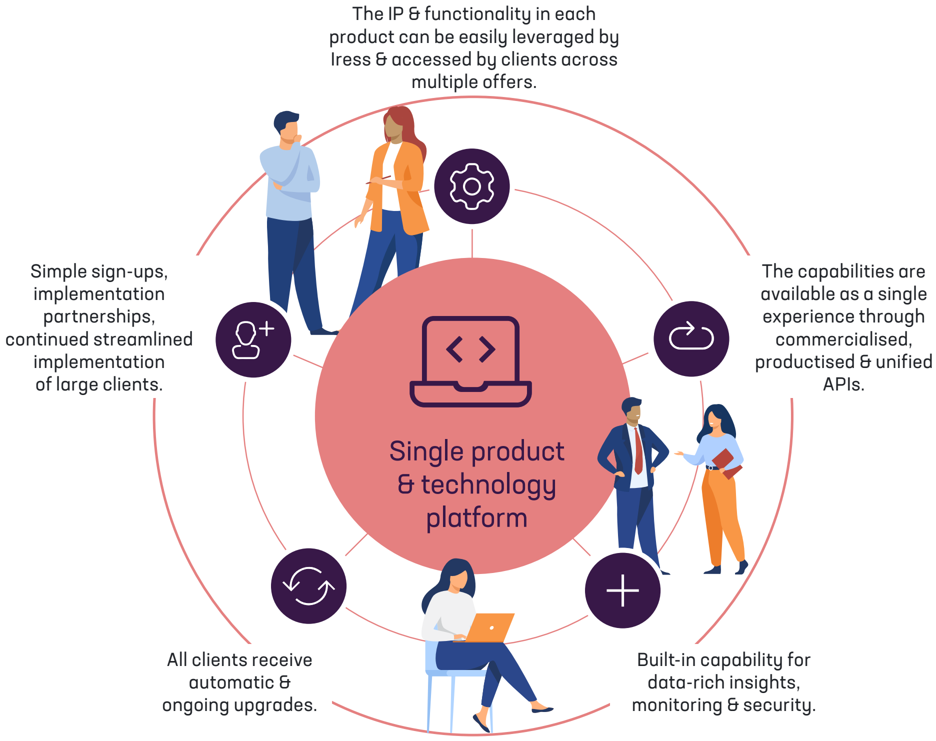
Simpler

Faster

Higher returns

Target future state

Underpinning our vision of a simpler and faster Iress is a single product and technology platform—a natural evolution of the rich set of capabilities we already have in our leading software applications today. It will enable us to unlock scale and markedly greater returns. The transition to this platform has been underway since the initiation of our cloud program in 2018.



2025 NPAT target

Double 2020 NPAT to

~$120m

A single product and technology platform that drives:

- Iress' strong intellectual property into multiple offerings
- faster product development and delivery
- seamless technology experience including onboarding and upgrades
- decoupling of cost growth from revenue growth
- improved returns.

Growth priorities

We are building scale in large addressable markets with a focus on the United Kingdom, superannuation and investment infrastructure.

Our five areas to win

As shared in July, we see benefits being realised at a greater rate with the opportunity for acceleration in key areas.

Areas to win	Opportunity	Progress	Additional focus
Single product & technology platform	**Operational leverage**, speed & response.	Building & delivering cloud native business capabilities.	Movement of remainder of Iress applications to cloud.
Investment infrastructure	Disrupting status quo through industry-wide infrastructure. Addressable revenue pool is **$3bn+.**[1]	Pilot of Xplan-OneVue integration underway.	First phase of single technology platform will be investment infrastructure.
United Kingdom	Revenue pool addressable by Iress' wealth solutions in the UK is in excess of **£400m** (~$700m).	Strong private wealth implementations, growing sell-side trading, continued momentum in Xplan sales.	Acceleration of sales using strong client case studies.
Superannuation	Transforming superannuation through automation. **TAM of $1.4bn+.**	Go live of automated superannuation solution. Superannuation gateway & clearing house launched and delivered.	Continued rollouts, cloud migration & sales.
Data solutions	International data vendor. Critical part of infrastructure and software, especially with digitalisation. Market data **TAM of US$33bn.**[2]	Strong international market data capabilities. Advice compliance solution.	Existing and new capabilities to cloud.

1. All statements in relation to addressable revenue pool and addressable markets in this table are based on Iress management estimates and in A$, unless otherwise stated.
2. Source: Burton-Taylor, April 2021.

Environmental, Social & Governance & Iress Foundation

Continuing our commitment to a sustainable future. Iress has made significant progress on our ESG approach. 2021 marked the beginning of an exciting new direction Iress is adopting when it comes to environmental and social impact.

Our overall ethos with respect to ESG is substance over form—meaning we want to go beyond simply doing the right thing by ensuring we use data and insights to determine the strategic benefits, risks and impact of everything we do. We are committed to observing internationally-recognised risks, such as climate change and modern slavery, and acting on these as part of our ESG roadmap.

The Iress Foundation, established in 2017, also now has a more structured framework that focuses on three causes aligned to Iress' business areas and communities as well as the UN Sustainable Development Goals. Some of the Iress Foundation highlights include partnering with Talent Beyond Boundaries to support skilled refugees in finding pathways to great jobs and new lives, Two Good Co to support women escaping domestic violence, the Healing World creche in South Africa, and many more globally.

For more information on our ESG approach, please refer to our 2021 ESG Report.

2021 Highlights

Environment

- Switched to renewable energy in Sydney and Melbourne offices (representing 95% of Australian footprint).
- Implemented a new environmental management system to measure consumption and emissions.
- Upgraded new offices in the UK with low voltage LED lighting to minimise power usage.
- Transitioned 2000+ services to the cloud.
- Signed science-based targets commitment.
- Established e-waste partnerships, addressing digital inequalities in remote communities (Sustainable Development Goals):

Foundation

- 615 volunteering hours.
- $231,811 donated to charitable causes.
- 36 charities supported.

Governance

- Inclusion of ESG matters in the Audit & Risk Committee charter to formalise Board oversight.
- Continuous improvement in disclosures and reporting with ACSI assessing Iress' 2020 ESG report with a 'Detailed' rating.

Social

- Introduced the 'Long Weekend'—enabling all permanent employees and fixed-term contractors to take a Friday or Monday off work for up to six days per calendar year.
- Employed two software engineers from Syria and Iraq to support refugee employment through Talent Beyond Boundaries.
- 3,000+ hours of sales and service training for our people.
- Implemented new supplier management system that utilises real-time monitoring of supplier and supply chain risks, using specialist market data vendors to identify human rights and environment risks.
- Committed to '40:40 vision' initiative aimed at improving gender diversity in executive roles by 2030.

95%

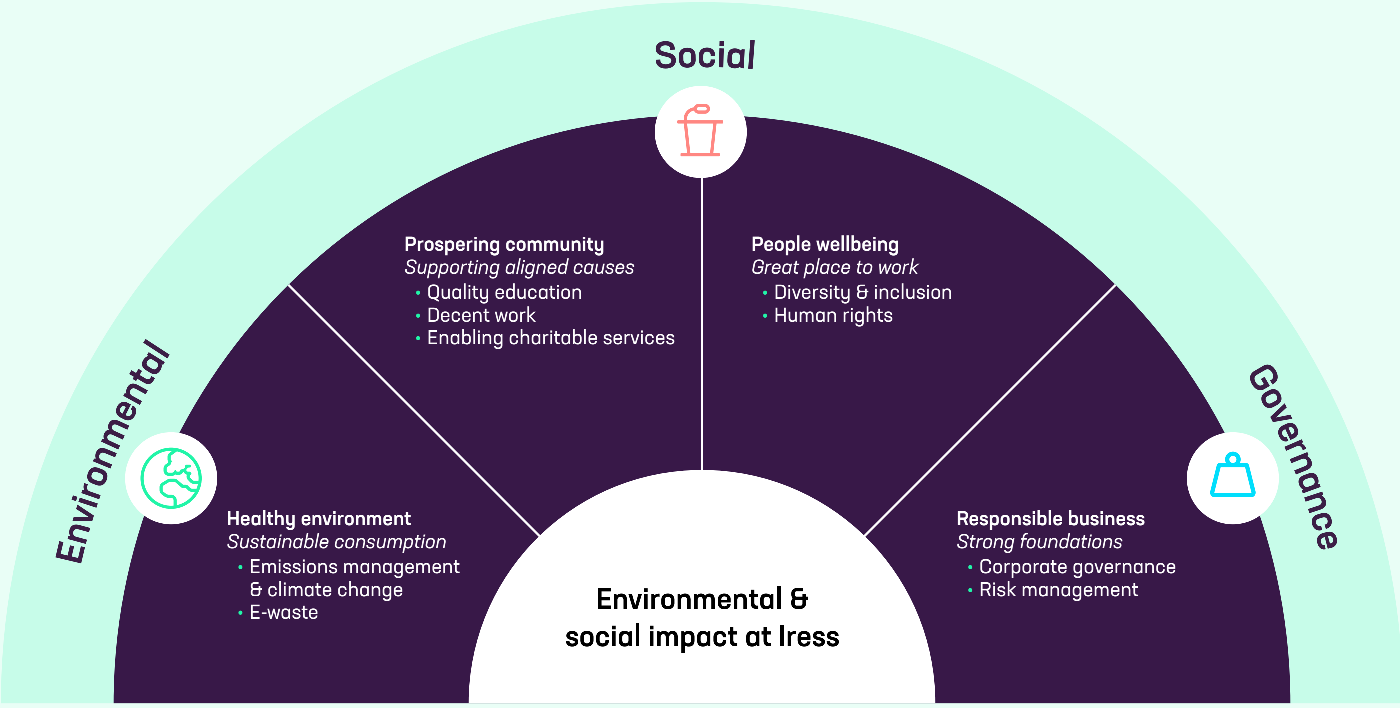
Switched to renewable energy in Sydney & Melbourne offices (representing 95% of Australian footprint)

40:40

Committed to improve gender diversity in executive roles by 2030

$231k+

Donated to charitable causes



Environmental & social impact roadmap

Through stakeholder consultation, we developed a comprehensive 2025 environment and social impact strategy that takes a structured approach aimed at creating genuine outcomes. The Iress Foundation framework focuses on causes aligned with Iress' business and communities.

We recognise our key impacts as:

- energy consumption through operations and suppliers
- e-waste management
- diversity and inclusion
- human rights including modern slavery.

To address these key impacts, our environmental and social impact strategy:

- aligns stakeholder expectations, commitment and builds trust
- establishes structured, consistent implementation
- quantifies and tracks impact.

Key initiatives include:

Environment

- Measure emissions and set science-based targets for reduction.
- Create an e-waste partnership in every region.
- Start a conversation around how Iress can understand, model, and adopt sustainability principles in software engineering and design.

Social

- Create an Australian Indigenous inclusion program to assess areas aligned with Iress' business and communities, including a consistent practice of the Acknowledgement of Country at public events.
- Develop a calendar of events (regional and global) to create a culture of inclusion and belonging.
- Identify the scope for affinity groups (as part of the broader diversity strategy), led by members of the Iress Leadership team.
- Identify opportunities for sustainable suppliers to be included in the procurement selection process.

Foundation

- Establish three areas of focus for the Iress Foundation: quality IT education, decent work and the provision of services to charities.
- Seek partnerships in countries of operation that support underrepresented communities with digital upskilling.
- Find decent work opportunities for refugee employment.

Governance

- Reporting on the Task Force on Climate-Related Financial Disclosures (TCFD) in 2022.

Environment

With the known impacts of climate change, and greater visibility of environmental considerations across the supply chain, taking action on environmental issues is critical.

In 2021, we made significant progress in our approach to understanding our impact on the environment, and will continue to reduce our impact by implementing an environmental management system to measure Scope 1, 2 & 3 emissions.

As a technology company, energy consumption is one of our key impacts. It is consumed through operations and suppliers (data centres) and contributes to greenhouse gas emissions. Via an environmental management system and the inclusion of emissions reduction in our strategic priorities, we capture and measure emissions across the business and create awareness.

Once measured, the ambition is to set science-based targets for an emissions-reduction pathway.

Science-based targets

The Intergovernmental Panel on Climate Change warns that global warming must not exceed 1.5 degrees celsius (above pre-industrial temperatures) to avoid the most catastrophic impacts to the environment. Businesses have a vital role to play in driving down greenhouse gas (GHG) emissions and building a resilient, zero-emissions economy grounded in science.

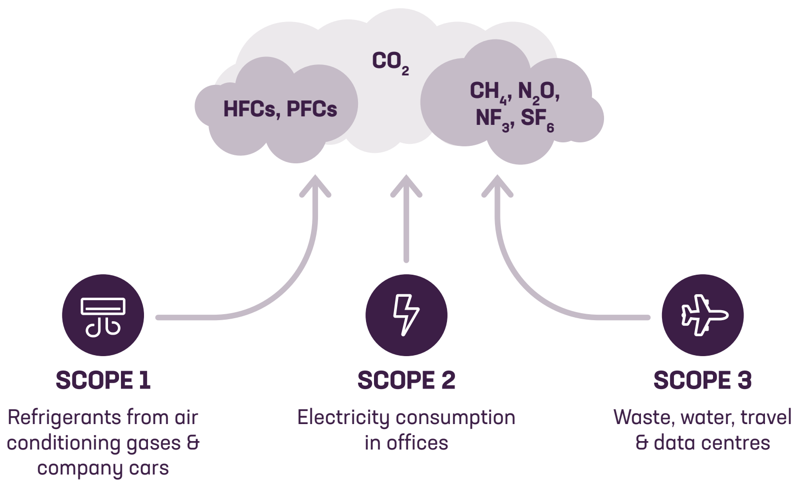
Science-based targets show companies the actual reductions in GHG required to meet their own targets, they prevent the worst impact of climate change, and provide a path towards decarbonisation.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Committed to set near-term company-wide emission reductions in line with the Science Based Targets initiative.

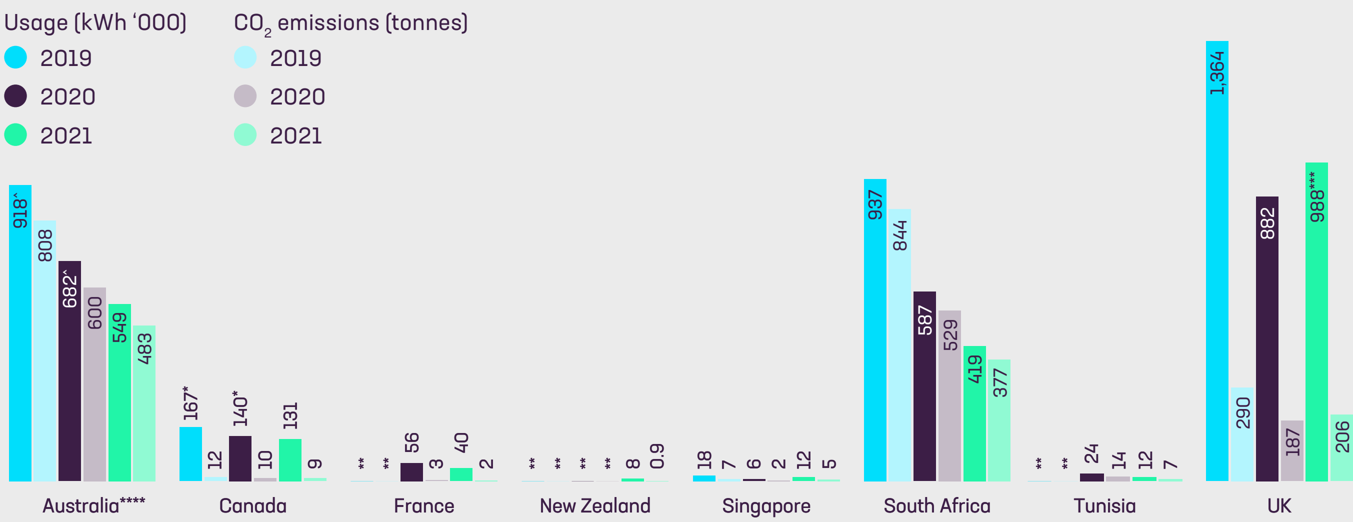
Environmental data

Environmental data is calculated using an environmental management system, Worldfavor. Worldfavor uses the GHG protocol as a standard with both location and market based factors. We do activity-based calculations across the three scopes.



Scope 2

Energy use & emissions



Note: Due to current limitations in reporting, the data may not reflect 100% capture across the business. Our ambition for 2022 is to increase measurement and reporting.

2019 and 2020 emissions have been recalculated in the new environmental management system to create a baseline.

^ Sydney and Melbourne data only. Data was not collected for other Australian office locations.
* Correction in data from previous report.
** Data was unavailable during reporting period.
*** Includes natural gas consumption with an emission factor of 0.20297 (Department for Environment, Food and Rural Affairs 2021).
**** Australia also consumed 369,092.4 kWh certified renewable electricity in Sydney and Melbourne offices.

iress foundation

The Iress Foundation was established in 2017 to focus effort & support towards an already strong & engaged community.

Guiding principles established still remain relevant today: facilitate, support, and promote people engagement; make a visible, reliable, and meaningful contribution to partner charities.

Iress Foundation focus areas

- Quality IT education
- Decent work
- Charitable services through skilled volunteering

Our impact

$231k
Donated to charitable causes (including employee giving)

615
Volunteering hours

36
Charities supported

Talent Beyond Boundaries

We walked, ran, cycled, swam and rode 100,000kms around the world globally to raise $20,000 for Talent Beyond Boundaries' Afghanistan program.

$20,000
Talent Beyond Boundaries' Afghanistan program

Two Good Co

990
Meals donated

75
Employment hours for vulnerable women

Caring for communities & people

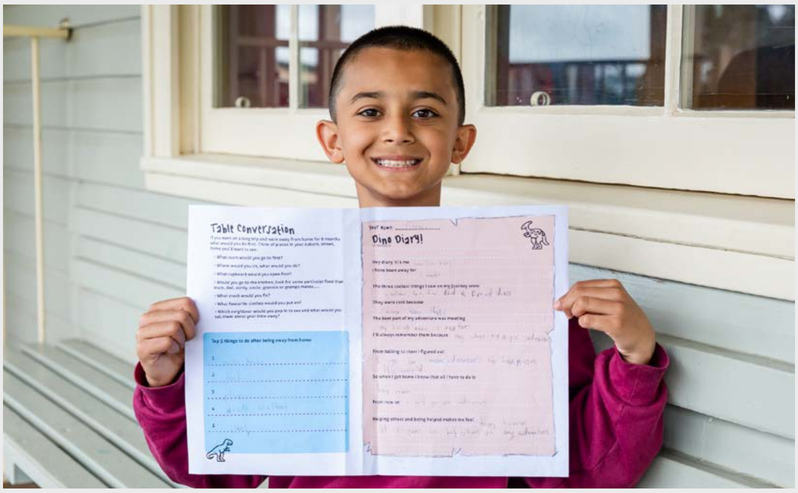
125 hours at Hamper Scamper, a local charity initiative, coordinating presents and food donations.

125hrs
At Hamper Scamper

Story Factory

Helped over 60 young writers in two under-resourced communities in Western Sydney to build their confidence and connection to their education by celebrating their creative and important voice.

60
Young writers helped



iSchool Africa

11

Online education sessions per week

70

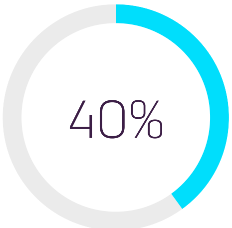
Students provided with access to smart tablets & headphones

10

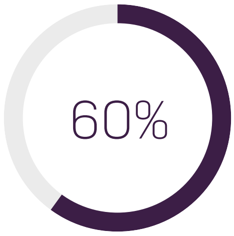
Subjects covered through online sessions including coding & robotics

5

Sphero robots deployed



Grade improvement for beneficiary students in mathematics



Grade improvement for beneficiary students in physical sciences

Foodbank Victoria

82

Volunteer hours

50

Number of charities helped

24,505kg

Amount of food packed

49,010

Total meals

Iress Leadership team

Our greatest asset at Iress is our people. Supporting them is a leadership team committed to achieving Iress' mission of making it easy for people to love financial services.

Peter Ferguson
Chief Legal Officer & Company Secretary

John Harris
Chief Financial Officer

Kelly Fisk
Chief Communications & Marketing Officer

Andrew Walsh
Chief Executive Officer

Simon New
Chief Commercial Officer

Andrew Todd
Chief Technology Officer

Julia McNeill
Chief People Officer

Joydip Das
Chief Product Officer

Board of Directors

Roger Sharp

Independent Non-Executive Director
(since February 2021) **& Chair**
(since May 2021)

Roger has more than 30 years' global experience in markets, technology, and governance. During his career he has built, chaired, and advised a number of technology companies. He currently chairs Webjet Limited (ASX: WEB) (since July 2017) and is a Non-Executive Director and former chair of Geo Limited (NZX: GEO) (since June 2016). He is also Chair of the Lotteries Commission of New Zealand.

Roger is also the founder of boutique technology investment bank, North Ridge Partners. Past executive roles included Global Head of Technology and CEO of Asia Pacific Securities for ABN AMRO Bank.

Company Secretary

Peter Ferguson
(since June 2011)

Peter has a bachelor of law from Sydney University (1987) and has many years' experience in international legal and commercial appointments in the financial technology sector, with prior international and domestic appointments including seven years with Nasdaq OMX, located in Stockholm and later in Sydney. In addition to his role as Group General Counsel & Company Secretary, Peter is responsible for management of Iress' compliance and risk functions. He also carries oversight of Iress' environment, social, and governance (ESG) strategy. Peter has been a Board member of the Schizophrenia Fellowship of NSW (trading as One Door) since 2012.

Andrew Walsh

Managing Director & Chief Executive Officer
(since October 2009)

After a career as an actuarial consultant, Andrew co-founded and spearheaded the development of market-leading financial planning software Xplan and joined Iress when it acquired Xplan Technology in 2003. Andrew became Iress' CEO in 2009 and has since led the growth of the group. Since Andrew became CEO, Iress has expanded organically and made several local and international acquisitions, with a focus on designing, developing and delivering software solutions for the financial services industry in Asia-Pacific, UK & Europe, Africa, and North America.

John Cameron

Independent Non-Executive Director
(since March 2010)

John is one of the pioneers of electronic trading. He was a key member of the team that first automated the trading floor of the Australian Securities Exchange—one of the first in the world. He has designed and developed information systems for major financial institutions in the United Kingdom, France, the United States and Australia. In 1997 John created what was to become the world's leading FIX solution, CameronFIX. It was acquired by Orc Software in 2006 where John served as CTO until 2009. In 2007 John created the Cameron Foundation. John co-founded the global refugee initiative Talent Beyond Boundaries and now works pro bono for them and serves as Vice Chair of its board.

Julie Fahey

Independent Non-Executive Director
(since October 2017) **& Chair of the People and Performance Committee**
(since February 2020)

Julie has over 35 years' experience in technology through an executive career spanning IT consulting, IT software and services businesses, and as an IT executive, leading strategy development and operational delivery of IT services. Julie was also a management consulting partner in the IT advisory practice with KPMG for over 10 years, and was a member of KPMG's National Executive Committee, as the Managing Partner Markets for four years before retiring in 2014.

Julie is a Non-Executive Director of Seek Limited (appointed July 2014) and Australian Foundation Investment Company Limited (appointed April 2021) and was a Non-Executive Director of Vocus Group Ltd (February 2018–July 2021). Julie also has a portfolio of Directorships of private companies in the technology and telecommunications industry, and the government sector.

Niki Beattie

Independent Non-Executive Director
(since February 2015)

Niki has more than 30 years' experience in financial technology and capital markets. She currently runs Market Structure Partners, a strategic consulting firm and previously spent more than a decade in senior positions at Merrill Lynch International. She is currently Non-Executive Chair of privately owned XTX Markets (since October 2017), a quantitative-driven, electronic global market-maker. She is also a Non-Executive Director of Kepler Cheuvreux UK Ltd (since July 2011), a French brokerage firm and of FMSB, Fixed Income, Currencies and Commodities Standards Board (since June 2020), a standard setting body for wholesale markets. She was previously Non-Executive Chair of UK listed entity Aquis Exchange Plc (January 2013–December 2021), which operates a pan-European stock exchange and technology business, and also on the board of MOEX (June 2012–April 2016), the Moscow Exchange and of Borsa Istanbul (April 2016–October 2019), the Turkish Exchange. She also spent 12 years on the Secondary Markets Advisory Committee (2008-2020) to the European Securities Markets Authority and six years on the Regulatory Decisions Committee of the UK Financial Conduct Authority (March 2012–December 2018).

Trudy Vonhoff

Independent Non-Executive Director
(since February 2020) **& Chair of the Audit & Risk Committee**
(since May 2021)

Trudy has over 25 years' experience in retail banking, financial markets, and investment. She is currently a director of Credit Corp Group (appointed September 2019), Cuscal Limited and Australian Cane Farms Limited. Previous directorships include Ruralco Holdings Limited (September 2014–September 2019), AMP Bank Limited and Tennis NSW. For 13 years Trudy held senior executive roles at Westpac and AMP across retail banking, finance, risk, technology and operations, and agribusiness.

Michael Dwyer AM

Independent Non-Executive Director
(since February 2020)

Michael has over 35 years' experience in superannuation and investment, including 14 years as CEO of First State Super (now Aware Super). After serving as a director from 1 June 2019, on 31 August 2020 Michael was appointed as the Chair of TCorp (New South Wales Treasury Corporation). On 1 December 2020 Michael was appointed as a director of Bennelong Funds Management Group and appointed as Chair on 1 July 2021.

He is a director of the Global Advisory Council of Tobacco Free Portfolios, appointed in 2016, and the Sydney Financial Forum from 1 January 2009. Since 1 July 2000 Michael has also been a director and subsequently from 25 June 2018 appointed as Chair of Australia for UNHCR, the private sector partner of the UN Refugee Agency. He is a life member of ASFA (The Association of Superannuation Funds of Australia) and a Life Member of FEAL (Fund Executive Association Limited).

Material business risks

The material business risks that have the potential to impact Iress' financial prospects & future performance are outlined together with mitigating actions undertaken to minimise these risks.

Risk	Nature of risk	Mitigating actions
Information security, including cyberattacks or failure of critical systems	Iress may be impacted significantly by the failure of critical systems, whether caused by error or malicious attack. Our information security risks are heightened by the growing sophistication of cyber terrorists, the increased reliance on our technology and services by our customers, and our employees and clients working remotely during the COVID-19 pandemic.	Iress continues to invest in a wide range of information security protection and preventative measures in response to the increasing threats presented by cyberattacks and cyber terrorists. Our information security risks are closely monitored through our dedicated global information security function. At the same time, material information security risks and issues are escalated to the Board Audit & Risk Committee for oversight and action, while Executive-level oversight is provided via the Executive Risk Committee and Chief Information Security Officer. Iress' Global Information Security Management System (ISMS) is certified by independent audit to meet the global ISO 27001 standard.
Economic climate	Economic conditions, domestically and internationally, may negatively impact client expenditure on, and demand for, Iress' systems and services.	Iress' diverse geographic presence, and diverse product and financial services portfolio both serve to mitigate the impacts of adverse economic conditions on our business. The ongoing impact of COVID-19 is mitigated by the recurring revenue base and cash generative nature of the Group.
Foreign exchange	Due to its international operations, Iress may be exposed to foreign exchange movements, which may affect the value of profits repatriated to Australia.	Iress mitigates foreign exchange risk associated with its international operations by funding these investments in the local currency. Foreign currency transaction risks are hedged, where appropriate. Iress does not hedge translation risk on foreign currency earnings. However, Iress reports the financial performance of its offshore operations in both local currency and in AUD, to enable investors to better understand the performance of the underlying business.
Legal or regulatory change	Iress' business could be adversely affected by changes to the law, regulation, policy, or regulatory expectations. Over time, these types of changes may result in market consolidation or fragmentation, both of which may negatively impact Iress' business, prospects, and financial performance. Responding to regulatory change may also result in Iress incurring substantial cost, as significant management attention and resources may be required to modify existing, or implement new, processes to comply with such changes.	As a licensed financial services business, Iress has increased its investment in compliance, and the management and implementation of regulatory change through the establishment of a dedicated compliance team and the recruitment of senior compliance professionals. We continue to closely monitor regulatory developments globally and remain proactively engaged with relevant regulatory bodies and policy makers across the jurisdictions in which we operate.
Technology change or failure	A pronounced shift in technology, or in the way market segments organise themselves and make use of Iress' technology, may adversely impact our business. At the same time, a critical technology system or process failure, or the release of personal data, whether by error or mischief, may have adverse impacts for Iress.	Iress seeks to maintain a highly-skilled team of technology professionals, who constantly consider and test the potential utilisation or impact of emerging technologies. In the same way, Iress endeavours to manage market change by maintaining a high degree of engagement with its customers. In that regard, Iress is fortunate that its customer base, being distributed geographically and being comprised of highly sophisticated industry representatives, is likely to be at the forefront of industry change and evolution. Mitigation of technology risk lies at the heart of Iress' information security function and software development practices. The latter includes rigour in architecture, code development and testing.

Operating & Financial Review

		2020 $m	2021 $m	2021 vs 2020
Operating revenue	Reported	542.6	595.9	10%
	Constant currency basis[1]	542.6	600.2	11%
Segment profit	Reported	152.9	166.2	9%
	Constant currency basis[1]	152.9	166.4	9%
Segment profit after share-based payments		131.9	148.8	13%
EBITDA		125.5	148.9	19%
Reported NPAT		**59.2**	**73.8**	**25%**

(1) Constant currency basis assumes the 2021 financial results are converted at the same average foreign exchange rates used to convert the 2020 financial results.

	2020 Cents per share	2021 Cents per share	2021 vs 2020
Earnings and dividends per share			
Basic earnings per share	32.4	38.8	20%
Dividends per share	46.0	46.0	0%

	Operating revenue			Direct contribution		
	2020 $m	2021 $m	2021 vs 2020	2020 $m	2021 $m	2021 vs 2020
APAC	289.8	335.3	16%	204.0	239.1	17%
UK & Europe	154.6	156.2	1%	94.4	98.0	4%
Mortgages	26.9	29.5	9%	18.1	21.1	17%
South Africa	42.9	43.4	1%	33.9	33.8	0%
North America	28.4	31.5	11%	11.0	14.5	32%
Total group	**542.6**	**595.9**	**10%**	**361.4**	**406.5**	**12%**
Product & Technology				(128.4)	(135.1)	5%
Operations				(42.6)	(60.0)	41%
Corporate				(37.4)	(45.2)	21%
Segment profit				**152.9**	**166.2**	**9%**

Operating revenue

On a reported basis, operating revenue from ordinary activities grew 10% from $542.6m in 2020 to $595.9m in 2021, and 11% in constant currency primarily driven by the full year impact from acquiring OneVue and O&M in 2020. Excluding OneVue and O&M, operating revenue for the group grew 2% primarily driven by growth in APAC Trading & Market Data, Mortgages and Canada.

Segment Profit[1]

On a reported basis, Segment Profit increased 9% from $152.9m in 2020 to $166.2m in 2021. In constant currency, Segment Profit grew 9% partly due to the full year benefit of acquiring OneVue and O&M in 2020. Excluding the full year benefit of acquisitions, Segment Profit in constant currency grew 8% reflecting revenue growth and strong cost discipline across the group.

(1) Iress uses Segment Profit as a measure of underlying earnings to aid inter-period comparability of results. Refer to reconciliation of Segment Profit to Net Profit after Tax (NPAT) on page 66.

APAC

On a reported basis, APAC revenue grew 16% from $289.8m in 2020 to $335.3m in 2021 with the result benefitting from the full year impact of the OneVue acquisition. Excluding OneVue, APAC revenue grew 2%.

Trading & Market Data revenue grew 7% in Australia reflecting successful project deliveries and new customer wins, and 10% in Asia reflecting the full year revenue impact of successful client implementations in 2020.

Financial Advice revenue for 2021 was largely in line with 2020. The ongoing reshaping of the financial advice industry in Australia has seen a shift in users from large institutions to independent firms. Xplan user numbers have remained relatively stable during this transition.

Superannuation revenue increased 17% from 2020 to 2021 with the full year impact of the OneVue acquisition in November 2020. Excluding OneVue Superannuation, revenue decreased 12% primarily due to timing of delivery of projects in 2021 against a backdrop of elevated non recurring project revenues in 2020. However, recurring Superannuation revenue grew by 7% as a result of clients going live.

Investment Infrastructure revenue increased as a result of the full year impact of the acquisition in November 2020. On a full year equivalent basis, Investment Infrastructure revenue increased 4% from 2020 to 2021. 2021 revenue benefitted from new client wins in Managed Fund Administration. The pilot program of Xplan integration with OneVue was successfully launched in 2021 with live managed funds and equity trades successfully executed.

On a reported basis, direct contribution increased 17% from 2020 to 2021. In constant currency, excluding the acquisitions of OneVue and adjusting for internal staff transfers, direct contribution was in line with 2020.

UK & Europe

On a reported basis, UK & Europe revenue grew 1% from $154.6m in 2020 to $156.2m in 2021.

In local currency, revenue increased 3% from 2020 to 2021 which reflects the full year contribution from subscription licence revenue following the successful go-live of key clients in 2020, integration of the 2020 acquisition of O&M, as well as new and ongoing client projects. Project work at large existing Private Wealth clients continued, as did the migration of Adviser Office users to Xplan.

During 2021, the UK business achieved a number of important milestones including:

- Successful go-live of Commpay at an enterprise Retail Wealth client.
- First market making clients progressing with a strong pipeline of prospects.
- Work commenced on a Retail Wealth solution following a new Tier 1 Bank client win.

On a reported basis, direct contribution increased 4% from 2020 to 2021. In local currency, direct contribution was up 5% which reflects revenue growth and ongoing cost discipline.

Mortgages

On a reported basis, revenue increased 9% from $26.9m in 2020 to $29.5m in 2021. In local currency, revenue was up 10% over the same period.

This revenue increase was largely driven by the full period impact of two clients that went live in 2020 and two additional clients that went live in 2021. As a result, the business continued to grow recurring subscription licence revenue which contributed 59% of total revenue in 2021, up from 46% in 2020.

On a reported basis, direct contribution increased 17% from 2020 to 2021. In local currency, direct contribution increased 17% from 2020 to 2021 which reflects revenue growth and ongoing cost discipline.

During 2021, as a result of a strategic review, Iress informed the market that it was considering a sale of the Mortgages business. The sale process commenced during 2H21. Potential acquirers have been given access to a data room to complete due diligence. The pipeline of emerging client opportunities for the business is very strong and therefore the divestment process is being managed to ensure that pipeline opportunities are appropriately reflected in value.

South Africa

On a reported basis, revenue increased 1% from $42.9m in 2020 to $43.4m in 2021, while in local currency, revenue marginally declined from 2020.

Revenue was impacted by weak economic conditions in South Africa during 2021 which has been exacerbated further by the impact of COVID-19 in that country. This was offset by successful deployment of a broad solution to a Tier 1 financial services firm and two large client contract renewals.

On a reported basis, direct contribution remained flat from 2020 to 2021 reflecting flat revenue growth and ongoing cost discipline.

North America

On a reported basis, revenue increased 11% from $28.4m in 2020 to $31.5m in 2021. In local currency, revenue increased 14% reflecting strong growth in Canada mainly attributable to additional project work driven by regulatory change and higher recurring revenue from the launch of a retail trading system for a Tier 1 bank.

On a reported basis, direct contribution increased 32% from 2020 to 2021. In local currency, direct contribution increased 35% which reflects revenue growth and ongoing cost discipline.

Product & Technology

Investment in product and technology is at the heart of Iress' success and market position, supporting client retention and future recurring revenue growth. Product and Technology cost is primarily made up of people costs and reflects Iress' ongoing investment in existing and new technology.

On a reported basis, costs increased 5% from $128.4m in 2020 to $135.1m in 2021. In constant currency, excluding the acquisitions of OneVue and O&M and adjusting for internal staff transfers, Product and Technology costs decreased by 2% reflecting strong cost discipline.

Operations

Operational costs include core business infrastructure and people, such as internal and external communications technology, information security, operating hardware and software and client help desks.

On a reported basis, Operations costs increased 41% from $42.6m in 2020 to $60m in 2021. In constant currency, excluding the acquisitions of OneVue and O&M and adjusting for internal staff transfers, Operations costs increased by 1% reflecting new information security initiatives, offset by savings in general administrative expenses.

Corporate

Corporate costs include Iress' central business functions including human resources, finance, communications & marketing, legal and other general corporate costs.

On a reported basis, costs increased 21% from $37.4m in 2020 to $45.2m in 2021. In constant currency, excluding the acquisitions of OneVue and O&M and adjusting for staff transfers, Corporate costs increased by 7% as a result of the hurdles for the global profit share scheme being achieved as well as increases in insurance costs and compliance related staff costs. This was partly offset by reduced spend in discretionary costs such as travel due to COVID-19.

Net Profit after Tax (NPAT)

	2020 $m	2021 $m	2021 vs 2020
Segment profit	**152.9**	**166.2**	**9%**
Share-based payment expense	(21.0)	(17.4)	17%
Segment profit after share-based payments	**131.9**	**148.8**	**13%**
Other non-operating expenses	(6.4)	0.1	large
Profit before depreciation and amortisation, interest and income tax expense	**125.5**	**148.9**	**19%**
Depreciation and amortisation expense	(39.1)	(47.0)	(20%)
Profit before interest and income tax expense	**86.3**	**101.9**	**18%**
Net interest and financing costs	(8.0)	(9.0)	(13%)
Income tax expense	(19.1)	(19.1)	0%
Net profit after income tax expense	**59.2**	**73.8**	**25%**

Net profit after tax (NPAT)

Iress' reported NPAT increased 25% from $59.2m in 2020 to $73.8m in 2021. The increase in NPAT largely reflects the net provision release associated with the finalisation of QuantHouse and BC Gateways earnout arrangements which have been reported as part of other non-operating expenses below.

Share-based payments decreased 17% from $21.0m in 2020 to $17.4m in 2021 as a result of a large number of forfeitures in 2021 due to employees leaving the business.

Other non-operating expenses are one-off costs primarily in relation to:

- early finalisation of Quanthouse earnout resulting in recognition of a gain of $14.2m from the provision release
- early finalisation of the BC Gateways earnout resulting in a gain of $8.1m from the provision release offset by integration costs ($6.1m) in relation to the acquisition of OneVue
- defence advisory costs ($4.0m) incurred in relation to the offer received from EQT Fund Management
- lease right-of-use asset impairment ($3.9m) and other expenses ($2.1m) recognised in relation to decisions taken during the year to vacate leased office space no longer required in the UK and Australia
- team restructuring expenses ($3.1m)
- other non-recurring expenses primarily incurred in relation to projects to integrate acquired businesses, upgrade infrastructure and retire legacy products and services.

Depreciation and Amortisation (D&A) increased 20% from $39.1m in 2020 to $47m in 2021. Lease right-of-use assets, leasehold improvement, office equipment and furniture and fitting D&A expense increased as a result of new UK and Sydney leases and associated office equipment and furniture as well as the full year impact of OneVue depreciation (twelve months in 2021 versus two months in 2020).

Net interest and financing costs increased 13% from $8m in 2020 to $9m in 2021 which reflects higher average net debt balances in 2021. Net debt balances in 2H 20 were abnormally low following the equity raise in June 2020. Since the completion of the OneVue acquisition in November 2020, the payment of the final FY20 dividend in March 2021 and the commencement of the on market share buyback in September 2021, drawn debt levels have increased and as a result interest expense has risen.

The Group's effective tax rate of 21% in 2021 is a function of the tax rates in the jurisdictions in which the business operates and the impact of the gains recognised on the release of earnout provisions ($22.3m in total) which are not subject to income tax. If the impact from the earnout provision release is removed, the effective tax rate would have been 27%.

Dividends

Iress' dividend policy is to maintain a payout ratio of not less than 80% of underlying earnings[2] on an annualised basis, subject to accounting limitations. Dividends continue to be franked to the greatest extent possible, while reflecting the geographical context of the business and timing of tax payments.

In respect of 2021 earnings, the Directors determined to pay a final dividend of 30.0 cents per share franked to 15% at a 30% corporate tax rate bringing the full year 2021 dividend to 46.0 cents per share, franked to 38% at a 30% corporate tax rate.

Statement of Financial Position

Net debt (measured as borrowings excluding capitalised borrowing costs, net of derivatives, and less cash and cash equivalents) increased by $108.6m mainly due to the following capital management and investing activities:

- Commencement of an on market share buy-back in September 2021 with $47.8m of shares purchased by the end of the year.
- On market purchase of shares ($20.4m) to deliver shares for employee share schemes.
- Payment of deferred contingent consideration of $10.4m in relation to the acquisition of QuantHouse.

As a result, the leverage ratio (defined in these financial statements as the ratio of net debt over the last twelve months Segment Profit) increased to 1.41x (2020: 0.82x) at the end of the year. Iress continues to maintain a conservative level of gearing and to actively manage cash holdings to reduce interest costs.

Provisions (current and non-current) reduced by a net $31.1m primarily due to the finalisation of the earnout arrangements in relation to the QuantHouse and BC Gateways acquisitions. Total provisions on the balance sheet at 31 December 2020 in relation to these potential liabilities were $37.8m with $4.4m remaining on the balance sheet at 31 December 2021 representing the final BC Gateways settlement which was made in January 2022. Of the net deferred contingent consideration provision movement of $33.4m, $10.4m was paid to the previous owners of QuantHouse during the year, $22.3m was released to profit and loss during the year as a result of the finalisation of the earn out amounts and the remainder related to currency movements.

Lease liabilities (both current and non-current) increased in total by $8.3m primarily due to the commencement of new office leases in the UK and Australia.

Intangible assets increased by $12.4m primarily due to the impact of currency revaluation ($18m) on goodwill denominated in currencies other than AUD with GBP being the primary contributor.

Issued capital decreased by $64.5m primarily due to the buyback of $47.8m of shares through the on market buyback which commenced in September 2021 and $20.4m of shares purchased on market to deliver to employees in relation to employee share schemes. Refer to Note 3.2 to the Financial Statements for more details.

(2) Segment Profit less operating depreciation and tax at 30%.

The Directors of Iress Limited and its subsidiaries ("the Group") submit the annual financial report for the year ended 31 December 2021.

Directors' Meetings

The following table sets out the number of meetings of the Group's Board of Directors and of each Board Committee held during the year ended 31 December 2021, and the number of meetings attended by each Director as a member of the Board or relevant Board Committee.

Directors who are not members of a particular Board Committee are entitled to attend meetings in a non-voting capacity and are given access to all Board Committee papers and minutes.

	Board Meetings		Audit & Risk		People & Performance		Special Committee	
Director	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
A D'Aloisio[2]	6	6	*	*	*	*	*	*
R Sharp[1]	19	18	*	*	*	*	9	9
A Walsh	20	20	*	*	*	*	9	9
N Beattie	20	20	*	*	9	9	*	*
J Cameron	20	20	*	*	9	9	*	*
M Dwyer	20	20	6	6	9	9	9	9
J Fahey	20	20	6	6	9	9	9	9
J Hayes[2]	6	5	3	3	*	*	*	*
G Tomlinson[2]	6	5	3	3	*	*	*	*
T Vonhoff	20	20	6	6	9	9	9	9

* Not a member of this committee.

(1) Appointed as Independent Non-Executive Director on 18 February 2021 and Chair on 6 May 2021.

(2) Retired on 6 May 2021.

Events subsequent to the Statement of Financial Position date

On 16 February 2022 the Directors declared a final dividend of 30.0 cents per share franked to 15% totalling $58.0 million.

Other than the declaration of the final dividend and the items noted above, there has been no other matter nor circumstance which has arisen since the end of the financial year which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years.

Changes in operations during the year

During the year, the operations of the Group were not modified in any material way.

Changes in state of affairs

On 29 July 2021, Iress announced the launch of an on-market buyback of up to $100m of ordinary fully-paid shares which will be funded from Iress' existing cash and committed debt facilities. As at 31 December 2021, Iress had repurchased 4,048,2966 shares at an average price of $11.8016 for a total amount of $47.8m. Refer to Note 3.2 of the Financial Statements for further details.

On 10 August 2021 Iress received a confidential, non-binding and indicative proposal from funds represented by EQT Fund Management S.à r.l. (EQT) to acquire all of Iress' shares via a scheme of arrangement. On 17 September 2021 the discussion between Iress and EQT concluded and the parties confirmed that they had not been unable to agree a transaction and the incorporating exclusivity terms between Iress and EQT were terminated.

On 19 November 2021, Iress executed an extension of the expiry date of its unsecured bank facilities from April 2024 to October 2025. The amount of the unsecured bank facilities was reduced from $405m to $400m. The covenant requirements remained unchanged.

Other than the above, there was no significant change in the state of affairs of the Group during the financial year.

Indemnification of Officers & Auditors

During the year, the Company paid a premium in respect of a contract insuring each of the Directors of the Company (as named above), the Company Secretary and each of the Executive Officers of the Company and any related body corporate against a liability or expense incurred in their capacity as a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. Further details have not been disclosed due to confidentiality provisions in the insurance contract.

In addition, the Company has entered into a Deed of Indemnity which ensures that a Director or an officer of the Company will generally incur no monetary loss as a result of defending actions taken against them as a Director or an officer. Certain actions are specifically excluded, for example, penalties and fines which may be imposed in respect of breaches of the law.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by the law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred in their capacity as an officer or auditor.

Non-audit services

Details of the amounts paid or payable to the auditor for audit services provided during the year are outlined in Note 1.6(b) to the financial statements. During the year, the Company's auditor performed certain other services in addition to its audit responsibilities. The Board is satisfied that the provision of non-audit services during the year by the auditor is compatible with, and did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company to ensure that they do not impact the integrity and objectivity of the auditor.
- The non-audit services provided did not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity of the Company, acting as an advocate of the Company or jointly sharing risks or rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)*, is set out on page 59.

Rounding of amounts

The amounts shown in this report and in the financial statements have been rounded off, except where otherwise stated, to the nearest thousand dollars, the Company being in a class specified in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission.

Corporate governance

The corporate governance statement is located on the Iress website.

https://www.iress.com/trust/corporate-governance/corporate-governance-statement/

Remuneration Report

For the year ended 31 December 2021

Letter from Julie Fahey, Chair of the People and Performance Committee

Dear shareholders,

On behalf of the People & Performance Committee (PPC), I am pleased to present Iress' Remuneration Report for the financial year ended 31 December 2021. This letter summarises the remuneration outcomes for 2021 and key changes to the executive remuneration framework for 2022 to align to our 2025 strategy outcomes.

Iress' performance and remuneration outcomes in 2021

The 2021 year was again a challenging one, as the health, social and economic consequences of COVID-19 presented ongoing uncertainty for our clients, our people and society at large.

Throughout this extraordinary period, we continued to effectively support our clients whilst also prioritising the safety, wellbeing and retention of our people. Consistent with 2020, Iress did not participate in any COVID-19-related government payment programs.

On a reported basis, Iress' operating revenue grew 10% to $595.9m and Net Profit After Tax (NPAT) increased 25% to $73.8m. We have continued to meet product and platform delivery milestones and the pipeline of new business into 2022 is building.

There were no remuneration increases provided to executives or to Non-executive Directors in 2021.

Under Iress' 2021 executive remuneration framework share price performance directly impacts the amount and value of equity vested. A significant proportion of remuneration is delivered in Equity Rights and Performance Rights, thereby aligning executive interests with shareholders.

There was partial vesting of the three Performance Rights awards based on Relative Total Shareholder Return (RTSR) performance at the time of the 30 June 2021 re-test:

- 52nd percentile RTSR resulting in 54.0% vesting of CEO's 2017 four-year award (1 Jan 2017 – 30 Jun 2021)
- 60th percentile RTSR resulting in 69.8% vesting of CEO's 2017 three-year award (1 Jan 2018 – 30 Jun 2021)
- 60th percentile RTSR resulting in 69.8% vesting of executive 2018 three-year award (1 Jan 2018 – 30 Jun 2021).

Changes to the executive remuneration framework in 2022

In July 2021, reflecting work commencing in February 2021, we announced plans to accelerate growth and returns for shareholders with a new 2025 target to more than double NPAT, EPS, and Return on Invested Capital (ROIC) compared to 2020 outcomes. We also committed to re-assess the alignment of our current executive remuneration framework to our revised strategy and therefore have worked through a review of the framework, metrics, targets, and quantum, resulting in changes to our approach for 2022.

The Board is confident that the framework elements (Base Salary, Equity Rights and Performance Rights) remain appropriate for our business. As originally intended when implemented in 2019, the Equity Rights and Performance Rights continue to provide significant share price exposure and long-term performance focus. In addition, the framework supports the attraction and retention of talent within the highly competitive global technology sector where we compete with both start-ups and established businesses for talent. We consider the framework critical to support our team to deliver on our 2025 strategy and to directly align executive remuneration to the 2025 strategic objectives of doubling EPS, ROIC, and the delivery of the technology platform.

Following consultation with shareholders, the Company will implement changes to the executive remuneration framework in 2022 to better align executives with its revised target outcomes. The following changes will therefore be in effect for 2022:

- **Performance Rights will vest against three equal hurdles of EPS growth, growth in ROIC, and delivery of our strategic product and technology platform:** As flagged with our shareholders in July, the Board has specifically aligned performance hurdles and metrics to the 2025 strategy. The performance hurdles are directly aligned with the intent to double EPS and ROIC from 2020 by 2025. The platform measure is the fundamental measure underpinning the July strategy acceleration.
- **Performance Rights vesting will be subject to an ATSR gate:** The new 10% Absolute Total Shareholder Return (ATSR) vesting gate has been set at the maximum vesting level under the 2021 Performance Rights plan. The approach means Executives will be rewarded with Performance Rights vesting where significant additional value is delivered for shareholders over the period to 2025.
- **The quantum of the Performance Rights opportunity will increase:** The 2022 Performance Rights hurdles represent an uplift on current and historic expectations. Executives will have the opportunity to earn up to 1.8 times the quantum available under the 2021 Total Remuneration framework across the period 2022–2025, provided each of the ATSR gateway, EPS, ROIC, and strategic product and technology platform hurdles are met in full. The challenging performance hurdles mean executives will earn less over the 2022–2025 period, versus the 2021 approach, if ATSR is not at least 10% p.a., and there is not at least threshold vesting on the new EPS, ROIC and platform measures.

- **The 2022 Performance Rights grants will be delivered over a longer time period than the current plan, directly aligned to the 2025 strategic plan timeframe:**
  - 2022 Performance Rights will vest in three years with a new one-year holding lock.
  - The 2023 Performance Rights allocation will be brought forward and granted in 2022 to again align with the 2025 strategic objectives. This portion will vest in four years, also with a one-year holding lock.
  - As a result, there will be no allocation of Performance Rights in 2023.
- **Performance Rights allocation will extend beyond executives:** To support the delivery of our strategy and to attract and retain key talent, Performance Rights will be extended beyond executives on a discretionary basis subject to the same performance hurdles as executives, vesting in four years.
- **Fixed Remuneration comprises Base Salary and Equity Rights:** To provide clarity in response to internal and external stakeholders, these elements will be considered Fixed Remuneration. There is no change to the quantum of Base Salary or Equity Rights for executives for 2022 or the terms of the Equity Rights.

Achievement of maximum performance under the 2022 plan would result in Executive KMP receiving approximately 2% of the total shareholder value created. Over the four year life of the scheme, the additional accounting cost of this grant of Performance Rights to Executive KMP is on average approximately $1.1m per annum.

We recognise that we have significantly increased the total remuneration opportunity for executives. The increase is all delivered through Performance Rights which are wholly contingent on strategy outcomes.

In essence, we are asking our executives to deliver significant value for shareholders, including achieving an ATSR gate for Performance Rights equal to the top end of the 2021 plan, before we consider the achievement of the three separate performance measures, which have been set in line with the strategy.

The Board is confident that the changes to the executive remuneration framework in 2022 will focus our team on delivering substantially higher returns to shareholders over the next four years.

Further detail on changes is included in Section 3.

I invite you to provide feedback on our remuneration framework and look forward to your continued support at our AGM.

Julie Fahey
Chair of the People & Performance Committee

Remuneration Report

For the year ended 31 December 2021

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This remuneration report provides details of Iress' remuneration policy and practice for Key Management Personnel (KMP) for the 2021 financial year (FY21). The KMP are identified in the below table and comprise the Non-executive Directors (NEDs), Executive Director, and Executives. For the purposes of this report: 'Executive KMP' refers to the Executive Director and Executives; 'executives' refers to those noted below and the broader executive leadership team at Iress who are not considered to be KMP.

The information presented in this report has been audited as required under section 308(3C) of the *Corporations Act 2001* and forms part of the Director's report.

KMP

For the year ended 31 December 2021, the KMP were:

KMP	Position	Term as KMP
Non-executive Directors (NED)		
A D'Aloisio[a]	Non-executive Chairman	Partial year
R Sharp[b]	Non-executive Chairman	Partial year
N Beattie	Non-executive Director	Full year
J Cameron	Non-executive Director	Full year
M Dwyer	Non-executive Director	Full year
J Fahey	Non-executive Director	Full year
J Hayes[a]	Non-executive Director	Partial year
G Tomlinson[a]	Non-executive Director	Partial year
T Vonhoff	Non-executive Director	Full year
Executive Director		
A Walsh	Managing Director and Chief Executive Officer (CEO)	Full year
Executive		
M Blomfield[c]	Chief Commercial Officer	Partial year
J Das	Chief Product Officer	Full year
P Ferguson	Chief Legal Officer	Full year
K Fisk[d]	Chief Communications & Marketing Officer	Partial year
J Harris	Chief Financial Officer	Full year
C Lill[c]	Chief Communications & Marketing Officer	Partial year
J McNeill	Chief People Officer	Full year
S New[e]	Chief Commercial Officer	Full year
A Todd	Chief Technology Officer	Full year

(a) A D'Aloisio, J Hayes and G Tomlinson ceased to be a KMP on 6 May 2021.

(b) R Sharp commenced 18 February 2021.

(c) M Blomfield and C Lill ceased to be KMP on 25 October 2021.

(d) K Fisk was appointed Chief Communications & Marketing Officer on 8 December 2021 after acting in that role from 25 October 2021.

(e) S New, previously Chief Client Solutions Officer was appointed Chief Commercial Officer on 25 October 2021.

The numbers reported reflect the period for which executives are KMP.

There have been no changes to KMP since the end of 2021 up to the date of signing the Directors' Report.

SECTION 1 EXECUTIVE REMUNERATION FRAMEWORK IN 2021

1.1 Overview of the 2021 executive remuneration framework

Iress' 2021 executive remuneration framework applies to executives and is summarised below.

Our goal

To be the most innovative, reliable, & respected technology partner, regarded by our clients as essential & desirable.

Our goal is supported by our remuneration principles & performance framework

Remuneration principles & performance	**Alignment with strategy**	**Alignment with shareholder interests**	**Support attraction, motivation, & retention**	**Simple to understand & transparent**	**Support robust performance management**
	Long-term deferred awards with vesting linked to key business success measures.	Significant exposure to share price through equity-based awards and Performance Rights vesting subject to substantial Total Shareholder Return outcomes.	Competitive opportunity aligned to global market practice. Long-term equity awards support retention and allow executives to share in the value they create.	Total Remuneration structured clearly and easy to value unvested equity.	Long-term view of performance to avoid short-term gains for long-term loss. Strong performance and pay linking mechanisms.
Annual performance management	**Robust performance management incorporating the 'what' and the 'how'**				

Remuneration components	**Base Salary**	**Equity Rights**	**Performance Rights**
	Market-based reward for role.	Equity to align with shareholder returns and retain talent.	Equity to reward exceptional shareholder returns.

Minimum shareholding requirement

A 225% - 400% of base salary minimum shareholding requirement (for the executives and CEO respectively) to be met within five years

Long-term performance measurement	**Individual performance**	**Share price movement**	**Absolute total shareholder return (ATSR)**	**Shareholder wealth**
	Any increases in base salary will consider the market and individual contribution and experience.	Over the four-year aggregate Equity Rights holding period, executives will be directly exposed to the same share price movements as shareholders.	ATSR over a three-year period relative to a predetermined benchmark determines vesting for Performance Rights awards granted from 2019.	Over time, executives will see a direct increase (or decrease) in their wealth in the same way shareholders do.

The Board also considered non-financial factors centred around:

- Clients & users.
- Product & technology.
- Company & people.

1.2 Our 2021 remuneration framework

The executive remuneration structure is as follows and comprises Base Salary, Equity Rights, Performance Rights, and Minimum Shareholding Requirement.

Base Salary

Base Salary reflects a market-related reward for performing a leadership role at Iress, plus superannuation and benefits.

Equity Rights

Equity Rights are an upfront award of rights, subject to service requirements. Participants are eligible for dividend equivalents during the service period (in the form of additional Equity Rights on vesting), and dividends (or cash dividend equivalents for some jurisdictions) during the restriction period.

Purpose	To facilitate immediate, collective alignment of executives with shareholders. To reward shareholder returns and facilitate retention.
Opportunity	**Executives** / **Equity Rights as a percentage of Total Remuneration**: CEO – 33%; Other executives – 25% The number of Equity Rights granted to each executive is calculated using face value, divided by the twenty-trading-day volume weighted average share price (VWAP) to 31 December of the year prior to when the grant is made.
Performance measurement	Performance is reflected in share price movements and dividends earned which collectively impact the value of Equity Rights. executives will share in the same price movements and dividends as shareholders over the entire vesting and holding period. **Board discretion:** The Board retains ultimate discretion to adjust the award or vesting quantum of Equity Rights, subject to their assessment of individual and company performance.
Vesting	Vesting after two years is subject to continued service. A further two-year restriction period applies, supporting retention and sustainable value creation over a total of four years. Depending on the tax rules in the relevant jurisdiction, the restriction will either be in the form of a holding lock (preventing the share received on exercise from being sold) or an exercise restriction (preventing the right from being converted to a share). Australian tax residents have the option of choosing an additional six-month voluntary holding lock period.
Termination of employment	If employment ceases due to resignation, termination for cause, or gross misconduct, then unvested equity lapses. If employment ceases for other reasons, Equity Rights will continue to be held subject to original terms (subject to Board discretion).
Change of control	Board discretion also applies to a change in control. The Board will consider time elapsed and performance achieved when exercising this discretion.
Malus & clawback	Significant underperformance or misconduct can lead to reduced vesting at the Board's discretion or clawback of awards in the holding lock. In addition, the Board may decline to make future grants in such cases.

Opportunity table:

Executives	Equity Rights as a percentage of Total Remuneration
CEO	33%
Other executives	25%

Performance Rights

A Performance Right is a right to receive one Iress share (or cash of equivalent value) upon vesting and exercise of that right at no cost, subject to adjustment for certain capital actions. Performance Rights do not carry any dividend entitlements or voting rights. Shares allocated upon exercise carry the same rights as any other Iress share.

Purpose

To reward exceptional shareholders returns.

Opportunity

Executives	Performance Rights as a percentage of Total Remuneration
CEO	35%
Other executives	25%

The number of Performance Rights granted to each executive is calculated using face value, divided by the twenty-trading-day VWAP to 31 December of the year prior to when the grant is made.

Performance measurement

A grant of Performance Rights will vest subject to Iress' ATSR performance over three financial years and ongoing service.

- TSR is aligned to Iress' business objectives as ATSR focuses on the growth of Iress and value to shareholders, regardless of the broader market and other companies' movements. Awards to executives will not vest unless substantial shareholder value has been created over the measurement period.
- ATSR is simple and transparent to both executives and shareholders. It also enables the consideration of a range of benchmarks for performance.
- In setting the three-year ATSR target for each Performance Rights grant, the Board determines a range that reflects business strategy but is informed by benchmarks such as recent performance of the All Ordinaries Accumulation index, Iress' cost of equity, market practice for companies with ATSR targets, and the historical performance of Iress and its peers.

Board discretion:

The Board retains ultimate discretion to adjust the award, or vesting quantum, of Performance Rights, subject to their assessment of individual and company performance. In applying any discretion, the Board takes into consideration performance against a set of non-financial measures across the following areas:

- Clients & users.
- Product & technology.
- Company & people.

Vesting

With consideration to internal and external benchmarks, the following vesting schedule applies.

Iress' annualised ATSR over the three-year measurement period	% of Performance Rights that will vest
Below 6.5%	0%
6.5%	50%
Between 6.5% and 10%	Pro-rata portion will vest on a straight-line basis between 50% (at 6.5%) and 100% (at 10%)
10% or higher	100%

The number of Performance Rights that will vest will depend on Iress' ATSR performance over the measurement period, measured using a twenty-trading-day VWAP at the start and end of the measurement period.

No retesting applies to Performance Right awards from 2019 onwards.

Termination of employment

If employment ceases due to resignation, termination for cause, or gross misconduct, unvested Performance Rights lapse. If employment ceases for other reasons, Performance Rights continue to be held subject to original terms on a pro rata basis (subject to Board discretion).

Change of control

Board discretion also applies on a change in control. The Board will consider time elapsed and performance achieved when exercising this discretion.

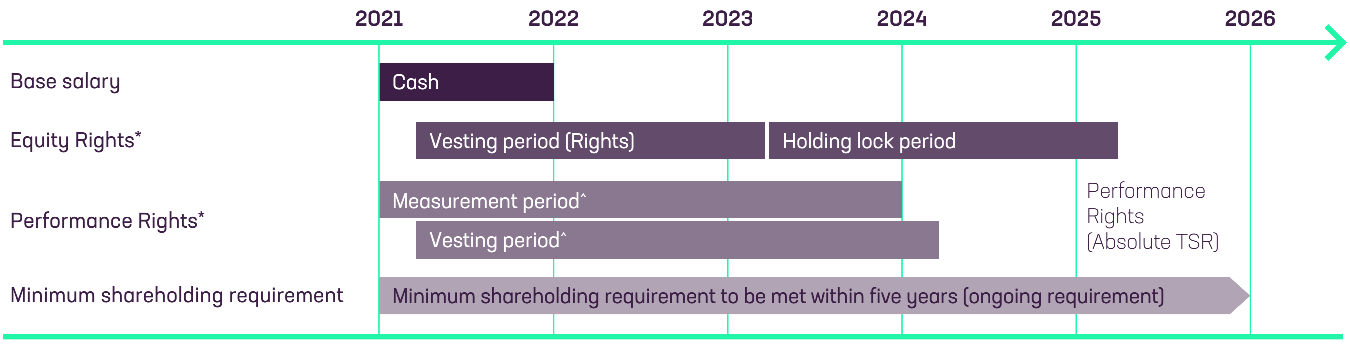
Malus

Significant underperformance or misconduct can lead to reduced vesting at the Board's discretion. In addition, the Board may decline to make future grants in such cases.

Minimum shareholding requirement

- Executives have a Minimum Shareholding Requirement to be met by December 2023, or within five years of commencing in their executive role. The requirement for the CEO and executives is as follows:
  - CEO: 400% of base salary.
  - Executives: 225% of base salary.
- Unvested Equity Rights will count towards meeting the requirement. Unvested Performance Rights will not.
- The value of each holding will be calculated as the maximum of:
  - share price at the time of the measurement, or
  - share price at the time when equity is acquired (ie, when Equity Rights are granted, when Performance Rights vest, and/or when fully-paid shares are purchased).
- Executive KMP progress towards the Minimum Shareholding Requirement is shown in Section 6.2.

Under the framework, remuneration for 2021 is delivered over a four-year timeframe as shown below:



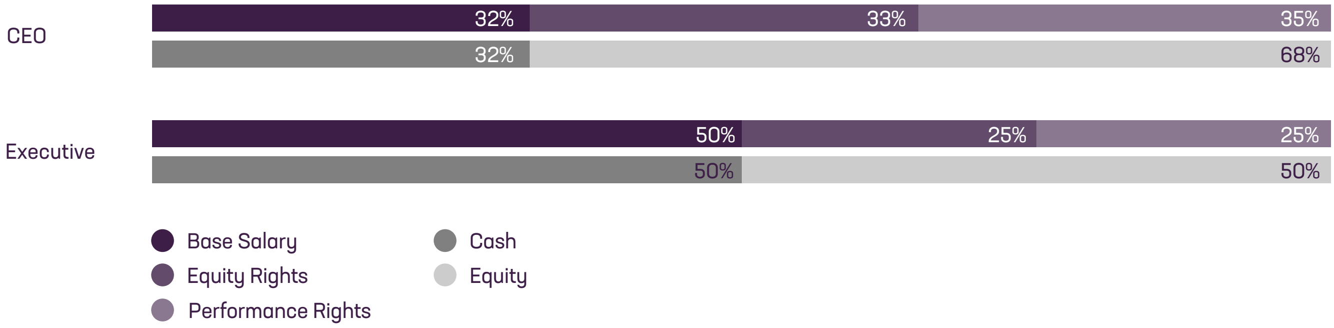
* The Executive grants were awarded on 26 February 2021 with the measurement period for Performance Rights starting from 1 January 2021. The CEO grants were awarded post shareholder approval at the AGM on 6 May 2021.

^ Subject to performance, vesting occurs after the vesting period has ended (28 February 2024).

1.3 Approach to determining remuneration opportunities

Iress offers executives a Total Remuneration package. Each remuneration component (Base Salary, Equity Rights and Performance Rights) is calculated as a proportion of Total Remuneration, using the remuneration mix on grant as shown in the diagram below:

2021 Remuneration mix



In determining Total Remuneration, Iress considers the skills, experience, performance, and value to Iress of the individual and market pay levels of comparable roles. Total Remuneration is reviewed annually and approved by the Board for the CEO and by the PPC for other executives. Any decision to increase Total Remuneration is considered in the context of the resulting change to Base Salary, Equity Rights, and Performance Rights.

Iress serves multiple sophisticated client segments internationally, faces a range of competitors, and is exposed to global technology and regulatory influences. As a result, Iress competes for the best people globally.

The challenges and opportunities faced by Iress reflect the international nature of its business, its size, and the industries in which it operates. Recognising this, Iress generally considers two main comparator groups when assessing executive remuneration: ASX-listed technology companies with complex multinational operations of a similar size (assessed by market capitalisation); and, periodically, overseas-listed technology companies operating in a closely comparable industry segment with comparable scale.

The Board routinely assesses the remuneration approach against the market of such peers, and this has been an important input to the changes to the 2022 executive remuneration approach.

The benchmarking performed in 2021 indicates that the Iress Base Salary and Equity Rights (which from 2022 will be considered part of Fixed Remuneration) for the executive leadership team is appropriately positioned against peers' fixed remuneration. However, the Total Remuneration opportunity, which includes Performance Rights, is below that of our peers.

The 2021 remuneration outcomes for each member of the Executive KMP are shown in Section 2.5.

SECTION 2 PERFORMANCE AND REMUNERATION OUTCOMES IN 2021

2.1 Mechanisms that link remuneration to performance

Pay for Performance

Our remuneration approach is supported by the following mechanisms that link reward outcomes to key measures of business performance and success.

Group & individual performance impacts executives' remuneration in four ways:

Impact 1: Non-financial performance	Impact 2: Equity-based awards to align actual remuneration with long-term business success	Impact 3: Performance Right vesting subject to ATSR	Impact 4: Ultimate discretion from the Board to adjust remuneration in light of performance
• Individual and Group performance against the annual non-financial objectives set by the Board is a key consideration when the Board determines the Base Salary and Total Remuneration package of an executive.	• Share price movements and dividends impact the value of equity over the three to five-year holding period and aligns reward with shareholder outcomes. • Failure to deliver strong share price and dividend outcomes has a significant impact on individual remuneration outcomes.	• Performance Right vesting is subject to a three-year ATSR measure that aligns reward with shareholder outcomes. • The significant proportion of Total Remuneration delivered via Performance Rights only vests subject to performance against challenging ATSR targets.	• The Board has discretion to reduce, cancel or clawback equity remuneration if group or individual performance is significantly below expectations, or in the event of individual misconduct. The discretion can be applied at grant, vesting, or during the equity holding period. • Remuneration can be adjusted prior to grant, during vesting, and after vesting as a result of performance.

Board discretion

The Board has overarching responsibility to ensure performance is managed appropriately, to maintain a focus on strong performance, and long-term link of performance-to-remuneration outcomes.

Each year, the Board approves the Group financial and non-financial objectives consistent with the Group's risk appetite and specific targets for the Group to achieve its strategy. The Group's financial and non-financial objectives cascade down to individual objectives for each executive that are specific to each executive's role.

At all points throughout the remuneration and performance cycle (ie, before grants are made, during vesting and holding periods, and following vesting) the Board and PPC review performance at a Group and individual level and retain discretion to reduce the value of awards in line with performance to maintain the alignment between performance and pay.

2.2 Group performance against objectives

The table below provides summary information on the Group's performance for the five years to 31 December 2021:

Measure	2021	2020	2019	2018	2017
Net Profit After Tax ($'000s)	73,798	59,213	65,128	64,096	59,755
Operating revenue ($'000s)	595,945	542,630	508,943	464,624	429,952
Basic Earnings per share (cents)	38.8	32.4	37.9	37.6	35.4
Return on Invested Capital	10.5%	9.2%	11.4%	11.5%	11.0%
Annual ATSR[a]	26.5[b]	(18.0%)	23.5%	2.7%	2.8%
Annualised 3-year ATSR[a]	8.9%	1.3%	9.3%	8.7%	7.8%

(a) All share prices and the TSR calculation are based on the twenty-trading-day volume weighted average share price on the relevant dates.

(b) Iress' share price (twenty-trading-day volume weighted average share price) was $10.39 at 31 December 2020 and $12.68 at 31 December 2021.

On a reported basis, Iress' operating revenue grew 10% to $595.9m and Net Profit After Tax (NPAT) increased 25% to $73.8m. We have continued to meet product and platform delivery milestones and the pipeline of new business into 2022 is building.

The Board recognises the 2021 market volatility and business uncertainty for current and prospective Iress clients created by the continued impact of COVID-19. The pandemic has created impacts on timely decision making, and has placed significant pressure on both individuals, and projects, across Iress people and clients.

The Board and management have reset the business with a more highly focussed 2025 strategy which has been built on existing foundations already in place, and will accelerate the investment in the future technology platform and capitalise on the market opportunities we see in front of us.

Reflecting on 2021, the Board is satisfied that management remains on track to achieve the 2025 strategy. The Board considers overall performance to be aligned with expectations, and reflects management's focus on our people and clients–plus the achievement of Iress' overall financial performance maintaining a lens on the medium and long term.

2.3 Remuneration awarded in the current year

Following the year-end assessment of performance, the Board determined it was fair and appropriate that the 2021 equity grants proceed in line with the remuneration mix disclosed in Section 1.3.

The remuneration awarded to Executive KMP in 2021 (and 2020) is shown below.

In the table below, Equity Rights, Transition Equity Rights and Performance Rights are shown at face value (reflecting share price at grant multiplied by the number of instruments granted). This differs from the portion of the grant date fair value expensed in 2021, which has been used to calculate remuneration in Section 2.4 Executive KMP statutory remuneration.

Executive KMP	Year	Base Salary $	Equity Rights[a] $	Additional Equity Rights[e] $	Additional Transition Equity Rights[f] $	Performance Rights[a] $	Total remuneration $
A Walsh	**2021**	**1,000,000**	**1,008,891**	**70,477**	**-**	**1,068,891**	**3,148,259**
	2020	1,000,000	1,008,901	–	–	1,068,900	3,077,801
M Blomfield[b,h]	**2021**	**488,095**	**300,010**	**-**	**-**	**300,010**	**1,088,115**
	2020	123,077	–	–	–	–	123,077
J Das	**2021**	**550,000**	**275,008**	**-**	**-**	**275,008**	**1,100,016**
	2020	162,885	–	–	–	–	162,885
P Ferguson	**2021**	**390,000**	**195,005**	**14,475**	**8,685**	**195,005**	**803,170**
	2020	390,000	195,006	–	–	195,006	780,012
K Fisk[d]	**2021**	**63,194**	**-**	**-**	**-**	**-**	**63,194**
J Harris	**2021**	**620,000**	**310,007**	**21,406**	**12,848**	**310,007**	**1,274,268**
	2020	620,000	310,012	–	–	310,012	1,240,024
A Knowles[c]	2020	386,795	313,738	–	–	313,738	1,014,271
C Lil[b,g]	**2021**	**325,397**	**200,003**	**10,908**	**6,541**	**200,003**	**742,852**
	2020	133,333	–	–	–	–	133,333
J McNeill[c]	**2021**	**425,926**	**204,846**	**15,450**	**9,270**	**204,846**	**860,338**
	2020	410,714	218,665	–	–	218,665	848,044
S New[c]	**2021**	**611,111**	**293,910**	**21,065**	**12,643**	**293,910**	**1,232,639**
	2020	589,286	313,738	–	–	313,738	1,216,762
A Todd	**2021**	**630,000**	**315,005**	**23,940**	**14,368**	**315,005**	**1,298,318**
	2020	630,000	315,006	–	–	315,006	1,260,012
Total Executive KMP	**2021**	**5,103,723**	**3,102,685**	**177,721**	**64,355**	**3,162,685**	**11,611,169**
	2020	**4,446,090**	**2,675,066**	**-**	**-**	**2,735,065**	**9,856,221**

(a) The number of rights granted to each Executive KMP in 2021 and 2020 was based on the twenty-trading-day volume weighted average share price up to and including 31 December 2020 and 31 December 2019 respectively. Where not applicable (n/a) is stated, the individual became KMP after the eligibility date for this award.

(b) C Lill and M Blomfield ceased to be KMPs on 25 October 2021. Amounts shown reflect the part of the year the individuals were KMPs as per the introduction to this Remuneration Report.

(c) Salary of A Knowles, J McNeill and S New is denominated fully in British pounds and is subject to foreign exchange movements. The Australian dollar amounts shown in the table were converted at an average foreign exchange rate of 0.54 (2020: 0.56).

(d) K Fisk appointed as KMP from 25 October 2021, base salary includes an allowance for acting in a role of Chief Communications and Marketing Officer prior to permanent appointment to that role.

(e) Amount reflects the additional grant of Equity Rights equivalent to the dividend KMPs would have received if they had held Shares during the 2019 Equity Rights Measurement Period. The value of additional Equity Rights is based on the twenty-trading-day volume weighted average share price up to and including the grant date.

(f) Additional Transition Equity Rights was a one-off grant of additional Equity Rights to recognise the cashflow impact of the transition to the new framework. Reported amount reflects the additional grant of Transition Equity Rights equivalent to the dividend KMPs would have received if they had held Shares during the 2019 Transition Equity Rights Measurement Period. The value of additional Transition Equity Rights is based on the twenty-trading-day volume weighted average share price up to and including the grant date.

(g) C Lill's 2021 Equity Rights and Performance Rights lapsed on resignation effective 17 December 2021.

(h) M Blomfield retained his 2021 Equity Rights on resignation for health reasons effective 27 October 2021. His 2021 Performance Rights were partially lapsed.

2.4 Executive KMP statutory remuneration

The table below presents details of Executive KMP remuneration prepared in accordance with statutory requirements and accounting standards. Under AASB 2 *Share-based Payment*, equity is expensed based on the grant date fair value over the vesting period.

		Short-term benefits $		Post-employment benefits $	Long-term benefits $				
Executive KMP	**Year**	**Salary and fees[a]**	**Non-monetary benefits[b]**	**Super-annuation**	**Share-based payments Deferred Share Rights[c]/ Equity Rights and Transition Equity Rights[d,h]**	**Share-based payments Performance Rights**	**Long-service leave (LSL)[j]**	**Total remuneration $**	**Performance related remuneration**
A Walsh	**2021**	**1,000,000**	**-**	**27,500**	**1,153,023**	**594,550**	**(7,166)**	**2,767,907**	**63%**
	2020	1,000,000	17,104	25,000	1,366,056	687,411	32,101	3,127,672	66%
M Blomfield[e]	**2021**	**488,095**	**-**	**32,117**	**100,463**	**5,685**	**-**	**626,360**	**17%**
	2020	123,077	–	11,692	–	–	–	134,769	0%
J Das	**2021**	**550,000**	**-**	**37,026**	**92,091**	**19,022**	**2,284**	**700,423**	**16%**
	2020	162,885	–	15,474	–	–	–	178,359	0%
P Ferguson	**2021**	**390,000**	**2,580**	**25,975**	**234,148**	**71,302**	**1,987**	**725,992**	**42%**
	2020	390,000	2,369	25,198	329,161	79,124	9,273	835,125	49%
K Fisk[g,i]	**2021**	**63,194**	**380**	**6,319**	**-**	**-**	**4,311**	**74,204**	**0%**
J Harris	**2021**	**620,000**	**2,580**	**27,500**	**363,488**	**109,218**	**12,599**	**1,135,385**	**42%**
	2020	620,000	2,369	25,000	495,435	119,715	16,300	1,278,819	48%
A Knowles[f]	2020	386,795	2,235	6,519	281,009	69,573	–	746,131	47%
C Lill[e]	**2021**	**325,397**	**-**	**19,411**	**48,403**	**15,479**	**(9,248)**	**399,442**	**16%**
	2020	133,333	–	12,667	88,474	19,450	2,274	256,198	42%
J McNeill[f]	**2021**	**440,926**	**11,391**	**38,333**	**258,166**	**76,920**	**-**	**825,736**	**41%**
	2020	425,179	8,683	36,830	349,631	82,342	–	902,665	48%
S New[f]	**2021**	**611,111**	**4,598**	**30,556**	**358,356**	**105,542**	**-**	**1,110,163**	**42%**
	2020	589,286	4,798	29,464	470,477	107,050	–	1,201,075	48%
A Todd	**2021**	**630,000**	**-**	**27,500**	**383,221**	**115,979**	**15,409**	**1,172,109**	**43%**
	2020	630,000	–	25,000	545,716	114,538	9,010	1,324,264	50%
Total	**2021**	**5,118,723**	**21,529**	**272,237**	**2,991,359**	**1,113,697**	**20,176**	**9,537,721**	**43%**
	2020	**4,460,555**	**37,558**	**212,844**	**3,925,959**	**1,279,203**	**68,958**	**9,985,077**	**52%**

(a) Salary and fees includes allowances and short-term compensated absences paid during the 2020 and 2021 years.

(b) Non-monetary benefits include health and life insurance subsidies.

(c) Deferred Share Rights were granted under the previous remuneration framework in 2019 in relation to performance in the 2018 financial year. Vesting for the Deferred Share Rights award is conditional on three-years' continued service and achievement of a satisfactory level of individual performance during these three years.

(d) Equity Rights comprise standard Equity Rights and Transition Equity Rights. Transition Equity Rights was a one-off additional grant in 2019 to executives (excluding the CEO) to offset the negative cash flow impact resulting from the introduction of the new executive remuneration framework in 2019. Transition Equity Rights have the same vesting conditions and holding restrictions as the annual Equity Rights allocations.

(e) C Lill and M Blomfield ceased to be KMPs on 25 October 2021.

(f) Remuneration of A Knowles, J McNeill, and S New is denominated fully in British pounds and is subject to foreign exchange movements. The Australian dollar amounts shown in the table were converted at an average foreign exchange rate of 0.54 (2020: 0.56). The amounts included under Superannuation refer to Pension for these individuals. A Knowles ceased to be KMP on 31 August 2020.

(g) K Fisk appointed as KMP from 25 October 2021, base salary includes an allowance for acting in a role of Chief Communications and Marketing Officer prior to permanent appointment to that role.

(h) Share based payments for J McNeil and S New include the payment of cash dividend replacement for their vested but unexercised 2019 Equity Rights and 2019 Transition Equity Rights. Cash dividend replacement is only applicable to KMPs in the UK.

(i) Long Service Leave movement for K Fisk is between October 2021 and December 2021.

(j) The movements in LSL for some KMPs are negative. The movement in LSL is largely impacted by government driven discount rates used to calculate the provision, however this impact is offset by increases in pay as well as employees progressing towards the date at which their LSL can be taken.

2.5 Remuneration realised from equity granted in previous years

Performance Rights granted prior to 2019

Performance Rights granted prior to 2019 had similar terms to the Performance Rights grants from 2019 onwards. The main difference was that vesting was based on RTSR performance over the measurement period. Iress' TSR was measured against a comparator group consisting of companies listed in the S&P/ASX 200 index, excluding mining and resource companies, and listed property trusts. The comparator group companies were determined as at 1 January of the year of grant.

For all Performance Rights granted prior to 2019, 0% of the rights vest for RTSR performance below the 50th percentile, 50% vest at the 50th percentile and 100% of the rights vest for RTSR performance of 75th percentile with pro-rata vesting on a straight-line basis in between. Iress allowed for one re-test, six months after the initial test date, for any portions of awards that did not vest on the initial test date.

Equity vested

In May 2021, based on Iress' RTSR performance in the preceding three and four year periods up to 31 December 2020, there was no vesting. Upon retesting for performance as at 30 June 2021, there was partial vesting of Performance Rights granted to the CEO in 2017 and Performance Rights granted to other executives in 2018.

		At end of retesting period[a,b]	
Award	**Initial measurement period[a]**	**RTSR percentile**	**Final vesting**
CEO 2017 four-year	1 Jan 2017 to 31 Dec 2020	52.0nd	54.0%
CEO 2017 three-year deferred start	1 Jan 2018 to 31 Dec 2020	60.0th	69.8%
Executive 2018 three-year	1 Jan 2018 to 31 Dec 2020	60.0th	69.8%

(a) Performance Rights granted prior to 2019 had one re-test six months after the initial measurement period. The final outcomes above are thus based on maximum performance as measured on 31 Dec 2020 and 30 June 2021.

(b) TSR amounts are calculated as per the terms of each Performance Rights offer, which provide for a twenty-trading-day volume weighted average share price at the start and end.

The Board also determined there were no individual performance or conduct issues and the full value of Performance Rights as determined by RTSR performance would vest.

The value of equity vested to Executive KMP in 2021 (and 2020) is shown below. In addition to the 2017 Performance Rights for the CEO and 2018 Performance Rights for the other executives, it includes deferred equity granted in 2018 under the previous remuneration framework. Executive KMP had an increase in their realised remuneration in 2021 as compared to 2020, which was primarily driven by a higher number of shares vesting, and a higher share price on vesting for Performance Rights.

Actual realised remuneration

Executive KMP	Financial Year	Base Salary $	Deferred Equity vested[a] $	Performance Rights vested[a] $	Equity Rights vested[g] $	Transition Equity Rights vested[g] $	Additional Equity Rights vested[e] $	Additional Transition Equity Rights vested[f] $	Total remuneration $
A Walsh	**2021**	**1,000,000**	**515,845**	**1,006,321**	**780,019**	**-**	**70,477**	**-**	**3,372,662**
	2020	1,000,000	498,262	917,722	-	-	-	-	2,415,984
M Blomfield[b]	**2021**	**488,095**	**-**	**-**	**-**	**-**	**-**	**-**	**488,095**
	2020	123,077	-	-	-	-	-	-	123,077
J Das	**2021**	**550,000**	**-**	**-**	**-**	**-**	**-**	**-**	**550,000**
	2020	162,885	-	-	-	-	-	-	162,885
P Ferguson	**2021**	**390,000**	**127,417**	**132,368**	**160,156**	**96,094**	**14,475**	**8,685**	**929,195**
	2020	390,000	112,356	64,084	-	-	-	-	566,440
K Fisk[d]	**2021**	**63,194**	**-**	**-**	**-**	**-**	**-**	**-**	**63,194**
J Harris	**2021**	**620,000**	**186,218**	**198,538**	**236,930**	**142,162**	**21,406**	**12,848**	**1,418,102**
	2020	620,000	170,975	98,001	-	-	-	-	888,976
A Knowles[c]	2020	386,795	170,975	98,001	-	-	-	-	655,771
C Lill[b]	**2021**	**325,397**	**98,017**	**99,269**	**120,668**	**72,397**	**10,908**	**6,541**	**733,197**
	2020	133,333	-	-	-	-	-	-	133,333
J McNeill[c]	**2021**	**425,926**	**137,756**	**141,828**	**170,928**	**102,557**	**15,450**	**9,270**	**1,003,715**
	2020	410,714	74,506	44,720	-	-	-	-	529,940
S New[c]	**2021**	**611,111**	**172,198**	**165,453**	**233,080**	**139,852**	**21,065**	**12,643**	**1,355,402**
	2020	589,286	74,506	51,101	-	-	-	-	714,893
A Todd	**2021**	**630,000**	**215,628**	**207,997**	**264,974**	**158,986**	**23,940**	**14,368**	**1,515,893**
	2020	630,000	161,203	-	-	-	-	-	791,203
Total Executive KMP	**2021**	**5,103,723**	**1,453,079**	**1,951,774**	**1,966,755**	**712,048**	**177,721**	**64,355**	**11,429,455**
	2020	**4,446,090**	**1,262,783**	**1,273,629**	**-**	**-**	**-**	**-**	**6,982,502**

(a) The value of equity that vested is based on the twenty-trading-day volume weighted average share price up to and including the vesting date. A dash indicates that the executive started with the Group after the eligibility date for this award or was not eligible for the award . This differs from fair value expensed in 2021, which has been used to calculate remuneration in Section 2.4.

(b) C Lill and M Blomfield ceased to be KMPs on 25 October 2021. Amounts shown reflect the part of the year the individuals were KMPs as per the introduction to this Remuneration Report.

(c) Salary of A Knowles, J McNeill and S New is denominated fully in British pounds and is subject to foreign exchange movements. The Australian dollar amounts shown in the table were converted at an average foreign exchange rate of 0.54 (2020: 0.56).

(d) K Fisk appointed as KMP from 25 October 2021, base salary includes an allowance for acting in a role of Chief Communications and Marketing Officer prior to permanent appointment to that role.

(e) Amount reflects the additional vesting of 2019 Equity Rights equivalent to the dividend KMPs would have received if they had held Shares during the Measurement Period (calculated on an accumulating basis, i.e. assuming the dividends are reinvested). 2019 additional Equity Rights vested in 2021, however, are under restriction until February/August 2023. The value of equity vested is based on the twenty-trading-day volume weighted average share price up to and including the vesting date.

(f) Transition Equity Rights was an one-off grant of additional Equity Rights to recognise the cashflow impact of the transition to the new framework. Reported amount reflects the additional vesting of Transition Equity Rights equivalent to the dividend KMPs would have received if they had held Shares during the Measurement Period (calculated on an accumulating basis, i.e. assuming the dividends are reinvested). 2019 additional Transition Equity Rights have vested in 2021, however, are under restriction until February/August 2023. The value of equity that vested is based on the twenty-trading-day volume weighted average share price up to and including the vesting date.

(g) Equity Rights and Transition Equity Rights were granted on 28 February 2019 and vested in February 2021. However, both awards are under restriction until February/August 2023.

2.6 Change in value of equity held

Iress' remuneration framework directly links shareholder and executive outcomes. Executives hold a number of different equity types, which are affected by share price movements, as well as equity-based Performance Right awards that vest subject to TSR performance.

Executive KMP saw an increase in the value of their Equity Rights in 2021 due to an increase in the share price. This increase is aligned with shareholder experience in 2021. Previously accumulated shares retained by Executive KMP are also exposed to share price changes during the year.

In addition, while measured by ATSR, the 2021 Performance Rights awards are currently tracking to vest due to an annualised ATSR of 8.22%. The 2020 Performance Rights awards are not currently tracking to vest due to an annualised ATSR of -0.11%.

In its 2021 half-year and full-year assessments, the Board did not identify any individual or company performance or conduct factors that would warrant clawback of currently unvested equity at future vesting dates. The Board will continue to monitor such factors until the relevant vesting date for each grant of equity.

SECTION 3 CHANGES TO EXECUTIVE REMUNERATION IN 2022

In light of Iress' strategy to accelerate growth and returns by 2025, in 2021 the Board reviewed the executive remuneration framework to enhance alignment to the new business strategy. As part of that review, the Board also considered feedback from investors on the 2020 Remuneration Report. The changes agreed by the Board will be effective 1 January 2022.

The Board remains confident that the current framework elements (Base Salary, Equity Rights and Performance Rights) remain appropriate for our business. However, the Company's 2021 strategy review made it clear to us that the way we allocate incentives needed to change in order to drive the business towards its more focussed 2025 goals. As originally intended when implemented in 2019, the Equity Rights and Performance Rights continue to provide significant share price exposure and long-term performance focus. In addition, the framework supports the attraction and retention of talent within the highly competitive global technology sector where we compete with both start-ups and established businesses for talent.

Principles for the executive remuneration framework

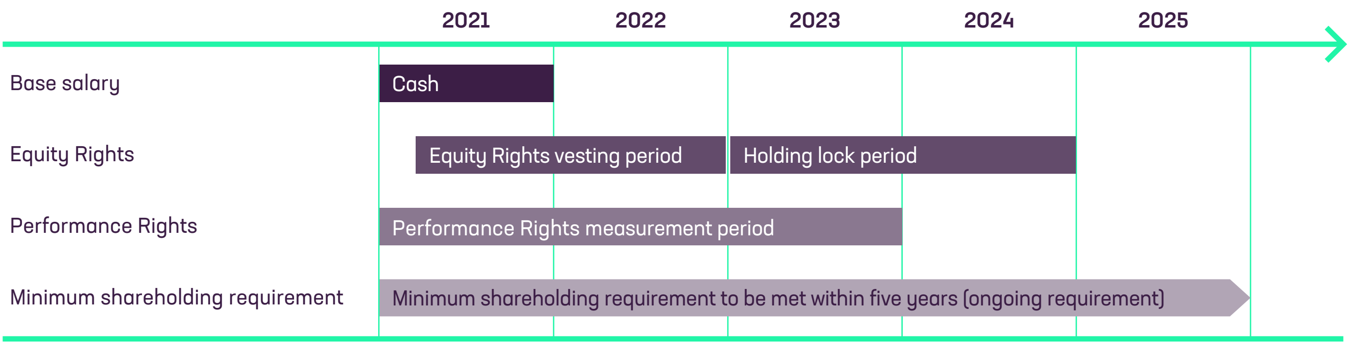
The guiding principles that the Board used for its review of the framework were that the new executive remuneration framework should:

- maintain alignment of executive remuneration outcomes with shareholders' interests
- enhance alignment with Iress' overall strategy for medium to long-term value creation
- provide performance metrics which directly reflect the achievement of the company goals
- support Iress to attract and retain the leadership talent needed to succeed on an international basis
- be simple to understand and be transparent for all stakeholders.

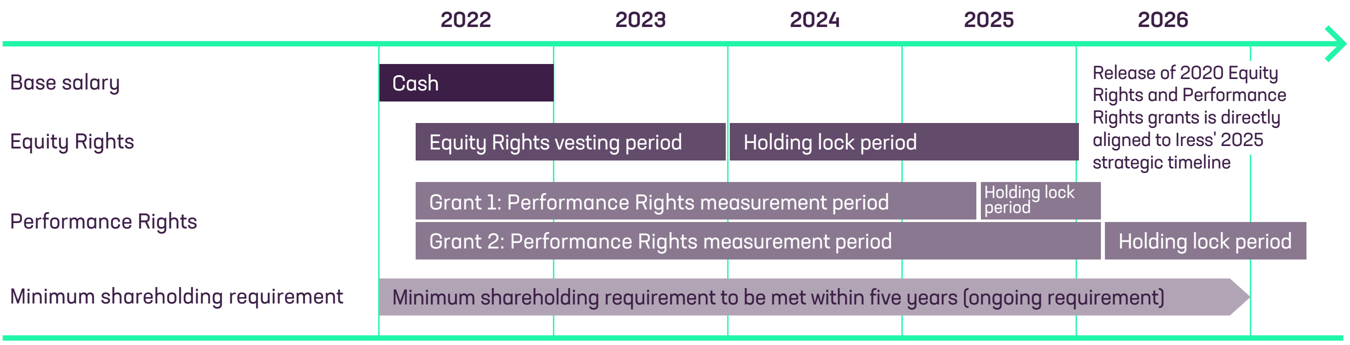
Overview of changes to the executive remuneration framework

The diagrams below set out the 2021 and 2022 executive remuneration framework and timelines. In 2022, Performance Rights vest over three and four years (versus three years in 2021), and have an additional one-year holding lock post-vesting. Note that under the new remuneration framework, there will be two grants of Performance Rights made in 2022, and none made in 2023.

In the 2021 framework, remuneration was delivered over a four-year timeframe as shown below:



In the new 2022 framework, remuneration is delivered over a five-year timeframe as shown below:



The following details the changes to the executive remuneration framework that will apply for 2022:

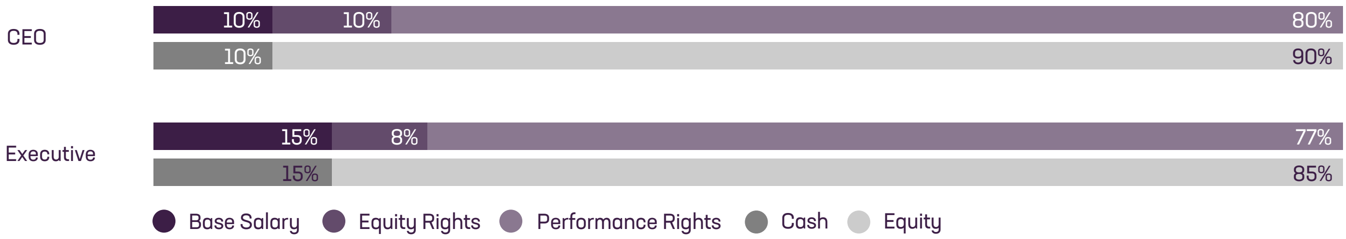
Changes to executive remuneration		Alignment with business strategy
Framework	• Fixed Remuneration comprised of cash and equity: Base Salary plus superannuation plus Equity Rights. • No change to quantum of Base Salary or Equity Rights opportunity relating to the change in framework.	• Emphasises focus on overall Iress performance. • Cognisant of competitor remuneration structures in the technology industry.
Performance Rights: grants and vesting	• Two grants of Performance Rights to be made in 2022. • Grant 1: three-year performance and vesting period. • Grant 2: four-year performance and vesting period. • The 2022 grants will be made using a twenty-trading-day VWAP commencing on the day following the results being announced for the year ending 31 December 2021. • A one-year holding lock will apply to Performance Rights post-vesting. • No grants of Performance Rights to be made in 2023.	• Increases exposure to absolute shareholder returns over the long-term by adding an additional one-year holding lock. • Directly aligns rewards with the 2025 strategic timeline by "bringing forward" the 2023 LTI grant to 2022.
Performance Rights: performance measures	• Replacement of the current ATSR performance measure with: › an ATSR gateway of 10% per annum measured over the period commencing when results are announced; and › three additional measures, with maximum performance and vesting directly aligned to the 2025 strategy. The three measures align to three tranches, each weighted one-third: – Tranche 1: Threshold EPS of 46.3 cents by 2024, 51.9 cents by 2025. Maximum EPS of 56.6 cents by 2024, 66.8 cents by 2025. – Tranche 2: Threshold ROIC of 11.9% by 2024, 13.3% by 2025. Maximum ROIC of 15.3% by 2024, 17.8% by 2025. – Tranche 3: The platform measure focuses on enabling services on the new single prod-tech platform such that for threshold vesting, 30%-50% of new services are enabled on the platform by 2024, and 30%-50% of existing services & every new service is enabled on the platform by 2025. For maximum vesting, >50% of new services are enabled on the platform by 2024, and the majority (>=50%) of existing and every new service is enabled on the platform by 2025. • Once the gateway is met, the level of Performance Rights vesting will be determined by performance against the three performance measures (one measure per tranche).	• The performance required for full vesting (i.e. maximum performance) is directly in line with the strategic intent to double EPS and ROIC from 2020 by 2025. The platform measure is the fundamental measure underpinning the strategy acceleration, with scale and financial outcomes, which are critical to providing returns to our shareholders. • The ATSR gateway of 10% per annum—set at the 2021 maximum hurdle—must be met. Vesting is then dependent on performance against Iress' key business strategy objectives: EPS growth, ROIC improvement, and platform. • The ATSR VWAP start and end periods, allows for market consideration and response to the EPS, ROIC and platform delivery results achieved at the end of the performance periods.
2022 Performance Rights grant quantum (face value)	For 2022: • The 2023 Performance Rights grant will be brought forward to 2022. No Performance Rights will be granted in 2023. • Executives' 2022 Performance Rights grants will be approximately 2.8x (CEO) - 4x (other executives) larger than the prior combined 2022/2023 grant quantum would have been under the prior plan.	• The 2022 Performance Rights opportunity: › recognises the significant value that will be created for shareholders if 2025 targets are achieved. › focuses on multi-year performance through to the end of 2025 › Rewards Executives for the delivery of both ATSR and strategy for shareholders. • Executives would earn less over the 2022-2025 period, versus the 2021 approach, if ATSR is not at least 10% per annum and there is not at least threshold vesting on the EPS, ROIC and platform tranches. • The grant of Performance Rights to the CEO is subject to shareholder approval.

The 2022 approach means executives will be rewarded with Performance Rights vesting where significant additional value is delivered for shareholders.

The upside potential for executives is designed to reward for the delivery of upside value for shareholders. Achievement of maximum performance under the 2022 plan, would result in Executive KMP receiving approximately 2% of the total shareholder value created. Over the four year life of the scheme, the additional accounting cost of this grant of Performance Rights to executives is on average approximately $1.1m per annum.

Iress offers executives a Total Remuneration package. Each remuneration component (Base Salary, Equity Rights and Performance Rights) will be calculated as a proportion of Total Remuneration, using the remuneration mix on grant as shown in the diagram below:

2022 Remuneration mix



The Board considers these changes to reflect the right alignment between the strategy and remuneration, and balance between shareholder and executive outcomes. The changes for the 2022 structure provide executives with the incentive to outperform against a challenging program of work over the next four years.

SECTION 4 REMUNERATION GOVERNANCE

The People & Performance Committee (PPC) works closely with the Board to apply the Group's remuneration philosophy and ensure the Company's remuneration strategy supports the creation of sustainable shareholder value. One of the main roles of the PPC is to assist and advise the Board to fulfil its responsibilities on remuneration matters. The PPC takes into account a wide variety of information including business strategy and culture, stakeholder interests, market practice, and corporate governance principles. Input from other stakeholders is provided as required.

The following table summarises the role and responsibility of the PPC as it pertains to remuneration governance and interaction with other key bodies.

Board

- Consultation between PPC on matters relating to remuneration.
- PPC and Board responsible for diversity and inclusion matters.
- Approves performance and remuneration arrangements for CEO.
- Approves NED fee arrangements.

People & Performance Committee (PPC)

Consists of members appointed by the Board after due consideration of the composition and skill requirements of the Committee.

The PPC aims to meet three times a year.

Audit & Risk Committee (ARC)	Management	External Advisors
• Refers risk or other related matters relevant to the business of the PPC for PPC examination and action, as required.	• Provides recommendations to the PPC on matters relating to remuneration for PPC review, approval, or endorsement.	• Provision of independent advice and engagement with the PPC on PPC related matters. • Delegation may be provided by the PPC to management on certain issues, while maintaining independence protocols. • No remuneration recommendations (as defined by the Corporations Act 2001) were provided to the Board by independent advisors during the reporting period.

The PPC is responsible for:

- making recommendations to the Board in relation to company-wide remuneration strategies
- reviewing the remuneration packages for new and current executives (other than the CEO, for which remuneration decisions are undertaken at the Board level), and approving the base salary and incentives proposed by the CEO under these packages
- following the recommendation of the CEO, approving individual key performance indicators for executives
- reviewing the performance evaluations prepared by the CEO for executives, and reporting on these evaluation criteria and their application to the Board
- developing and regularly reviewing succession plans prepared by the CEO for executives
- monitoring key appointments and departures as well as trends relating to recruitment, retention, termination, leave and diversity statistics, any key work health and safety issues and human resource projects
- thorough oversight of remuneration strategies for the executives with consideration of alignment to the success of the Company without rewarding conduct that is contrary to the Company's values, policies and risk appetite
- approving the remuneration and incentive policies of all other employees
- approving awards under employee equity plans, the terms on which the equity awards are offered, vesting outcomes and amending, suspending and cancelling plans
- reviewing the superannuation and pension arrangements for staff on the recommendation of the CEO.

More information about the Board's role in remuneration governance can be found at https://www.iress.com/trust/corporate-governance/governance-documents/board-charter/.

4.2 Executive KMP service agreements

All Executive KMP have a formal service agreement. Agreements are of an ongoing nature and have no set term of service.

The key terms of the service agreements for the CEO and Executive KMP are summarised below. Termination entitlements are limited to twelve months' base salary unless shareholder approval is received.

Criterion	Arrangements
Term of contract	Ongoing.
Resignation	The Executive KMP may resign by providing six months' written notice.
Termination on notice by Iress	Iress may terminate the employment agreement of Executive KMP by providing six months' written notice, or payment in lieu of the notice period.
Redundancy	If Iress terminates employment for reasons of bona fide redundancy, a severance payment will be made. The quantum of the payment will be determined subject to the Board's discretion, considering matters such as statutory requirements, the executive's contribution, position and length of service.
Termination for serious misconduct	Iress may terminate the employment agreement at any time without notice.
Non-compete	A non-compete arrangement exists for a period of six months following employment with the Group[a].

(a) The non-compete period is up to twelve months for other Executive KMP.

The intention is to harmonise the service agreements for all Executive KMP, along with the key terms where possible, in 2022.

SECTION 5 NON-EXECUTIVE DIRECTOR FEES

5.1 Fee policy

Non-executive Directors (NED) receive fees for their services plus the reimbursement of reasonable expenses. To ensure objective and independent oversight of the Group, NED does not participate in performance-based incentives or receive post-employment benefits.

The fee levels that applied during 2021 were:

Role		Fee ($)
Board	Board Chair	240,000[a]
	Member	130,000
Additional fees for serving on the committees		
Audit & Risk Committee	Chair	24,000
	Member	Nil
PPC	Chair	24,000
	Member	Nil

(a) The Chairman is entitled to the Board Chair fee only (no additional Committee fees).

NED fees are reviewed at appropriate intervals and are determined by the Board in consideration of fees paid in comparable companies.

There were no changes to NED fees in 2021 and no changes are anticipated for 2022.

NED have a Minimum Shareholding Requirement to be met either by 31 December 2022, or within three years of their appointment if past this date. NED are required to accrue and hold Iress equity equivalent to 100% of the base fee for being a Member of the Board, unless otherwise determined by the Board.

5.2 Maximum aggregate NED fee pool

The maximum aggregate pool available for NED fees is approved by the shareholders at the Annual General Meeting in accordance with the Group's Constitution. The maximum pool is set around the median of comparable companies, to provide the ability for Iress to attract and retain appropriately qualified and experienced directors.

The maximum aggregate fee pool of $1,500,000 per annum was approved at the Annual General Meeting in May 2019. The total amount of remuneration paid to NED in 2021 was $1,068,182 (2020: $1,234,691).

5.3 2021 Non-executive Director remuneration

The total remuneration for NED during 2021 and 2020 is set out in the table below. This table is prepared in accordance with statutory requirements and accounting standards.

		Short-term benefits	Post-employment entitlements	
Non-Executive Director	**Year**	**Fees ($)**	**Superannuation ($)**	**Total[a] ($)**
A D'Aloisio[c]	**2021**	**76,431**	**7,261**	**83,692**
	2020	219,178	20,822	240,000
R Sharp[b]	**2021**	**167,058**	**16,416**	**183,474**
N Beattie	**2021**	**129,705**	**12,645**	**142,350**
	2020	130,000	12,350	142,350
J Cameron	**2021**	**118,452**	**11,548**	**130,000**
	2020	118,721	11,279	130,000
M Dwyer	**2021**	**118,452**	**11,548**	**130,000**
	2020	108,828	10,339	119,167
J Fahey	**2021**	**140,320**	**13,680**	**154,000**
	2020	140,639	13,361	154,000
J Hayes[c]	**2021**	**49,043**	**4,659**	**53,702**
	2020	140,639	13,361	154,000
J Seabrook[d]	2020	44,894	1,113	46,007
G Tomlinson[c]	**2021**	**45,333**	**-**	**45,333**
	2020	127,180	2,820	130,000
T Vonhoff[e]	**2021**	**136,177**	**9,454**	**145,631**
	2020	108,828	10,339	119,167
Total Non-Executive Director fees	**2021**	**980,971**	**87,211**	**1,068,182**
	2020	**1,138,907**	**95,784**	**1,234,691**

(a) NED fees are paid inclusive of superannuation for all NED except for N Beattie, who is paid superannuation on top of fees based on the percentage of total fees relating to work performed in Australia.

(b) R Sharp was appointed to the Board as NED on 18 February 2021, and appointed Non-executive Chairman on 7 May 2021.

(c) J Hayes and G Tomlinson ceased to be Non-executive Directors of the Board, and A D'Aloisio ceased to be Non-executive Chairman on 6 May 2021.

(d) J Seabrook is included for the period she was NED only (1 January to 7 May 2020).

(e) T Vonhoff was covered by a superannuation guarantee exemption certificate for three months from 1 July 2021 to 30 September 2021.

SECTION 6 ADDITIONAL REQUIRED DISCLOSURES

6.1 Unvested equity

The table below presents the Equity Rights, Deferred Share Rights and Performance Rights held during the financial year by each Executive KMP. No rights are granted to NED or related parties. Any rights that vest will be automatically exercised on or around the time Iress notifies the participant that their rights have vested. Equity Rights, Deferred Share Rights, and Performance Rights are granted for no consideration, and upon vesting, can be exercised at no cost.

Executive KMP	Type of equity	Grant date	Number granted	Fair value at grant date	Vesting date	Expiry date	Number vested[(a,b)]	% vested	Number lapsed	% lapsed	Number Unvested
A Walsh	Equity Rights	7-May-21	97,089	9.01	28-Feb-23	28-Feb-23	-	0.00%	-	0.00%	97,089
	Additional Equity Rights	1-March-21	7,230	9.15	1-Mar-21	1-Mar-21	7,230	100%%	-	0.00%	-
	Performance Rights	7-May-21	102,863	3.19	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	102,863
	Equity Rights	8-May-20	76,374	11.86	28-Feb-22	28-Feb-22	-	0.00%	-	0.00%	76,374
	Performance Rights	8-May-20	80,916	2.61	28-Feb-23	28-Feb-23	-	0.00%	-	0.00%	80,916
	Equity Rights	10-May-19	80,020	14.22	26-Feb-21	28-Feb-21	80,020	100.00%	-	0.00%	-
	Performance Rights	10-May-19	80,020	8.6	28-Feb-22	28-Feb-22	-	0.00%	-	0.00%	80,020
	Deferred Share Rights	10-May-19	42,736	12.73	10-May-22	10-May-22	-	0.00%	-	0.00%	42,736
	Performance Rights	10-May-18	45,605	5.75	10-May-22	10-May-22	-	0.00%	-	0.00%	45,605
	Performance Rights	10-May-18	45,605	5.78	10-May-22	10-May-22	-	0.00%	-	0.00%	45,605
	Deferred Share Rights	10-May-18	51,707	9.58	10-May-21	10-May-21	51,707	100.00%	-	0.00%	-
	Performance Rights	11-May-17	54,739	6.64	11-May-21	11-May-23	29,560	54.00%	25,179	46.00%	-
	Performance Rights	11-May-17	54,739	7.05	11-May-21	11-May-23	38,208	69.80%	16,531	30.20%	-
	Total of Equity Rights and Deferred Share Rights										**216,199**
	Total of Performance Rights										**355,009**
M Blomfield [(e,g)]	Equity Rights	26-Feb-21	28,871	8.27	28-Feb-23	28-Feb-23	-	0.00%	-	0.00%	28,871
	Performance Rights	26-Feb-21	28,871	2.56	28-Feb-24	28-Feb-24	-	0.00%	20,961	72.60%	7,910
	Total of Equity Rights and Deferred Share Rights										**28,871**
	Total of Performance Rights										**7,910**
J Das	Equity Rights	26-Feb-21	26,465	8.27	28-Feb-23	28-Feb-23	-	0.00%	-	0.00%	26,465
	Performance Rights	26-Feb-21	26,465	2.56	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	26,465
	Total of Equity Rights and Deferred Share Rights										**26,465**
	Total of Performance Rights										**26,465**

Executive KMP	Type of equity	Grant date	Number granted	Fair value at grant date	Vesting date	Expiry date	Number vested[a,b]	% vested	Number lapsed	% lapsed	Number Unvested
P Ferguson	Equity Rights	26-Feb-21	18,766	8.27	28-Feb-23	28-Feb-23	–	0.00%	–	0.00%	18,766
	Additional Equity Rights and Transition Equity Rights	1-Mar-21	2,376	9.15	1-Mar-21	1-Mar-21	2,376	100.00%	–	0.00%	–
	Performance Rights	26-Feb-21	18,766	2.56	28-Feb-24	28-Feb-24	–	0.00%	–	0.00%	18,766
	Equity Rights	28-Feb-20	14,762	11.86	28-Feb-22	28-Feb-22	–	0.00%	–	0.00%	14,762
	Performance Rights	28-Feb-20	14,762	3.81	28-Feb-23	28-Feb-23	–	0.00%	–	0.00%	14,762
	Equity Rights	28-Feb-19	16,430	12	26-Feb-21	28-Feb-21	16,430	100.00%	–	0.00%	–
	Performance Rights	28-Feb-19	16,430	5.54	28-Feb-22	28-Feb-22	–	0.00%	–	0.00%	16,430
	Transition Equity Rights	28-Feb-19	9,858	12	26-Feb-21	28-Feb-21	9,858	100.00%	–	0.00%	–
	Deferred Share Rights	10-May-19	9,966	12.73	10-May-22	10-May-22	–	0.00%	–	0.00%	9,966
	Performance Rights	10-May-18	12,770	5.79	10-May-21	10-May-21	8,914	69.80%	3,856	30.20%	–
	Deferred Share Rights	10-May-18	12,772	9.58	10-May-21	10-May-21	12,772	100.00%	–	0.00%	–
	Total of Equity Rights and Deferred Share Rights										**43,494**
	Total of Performance Rights										**49,958**
K Fisk[c]	Deferred Shares	26-Feb-21	1,639	9.19	28-Feb-24	28-Feb-24	–	0.00%	–	0.00%	1,639
	Deferred Shares	26-Feb-21	1,637	9.19	28-Feb-23	28-Feb-23	–	0.00%	–	0.00%	1,637
	Deferred Shares	26-Feb-21	1,637	9.19	26-Feb-22	26-Feb-22	–	0.00%	–	0.00%	1,637
	Deferred Shares	28-Feb-20	1,066	11.86	28-Feb-23	28-Feb-23	–	0.00%	–	0.00%	1,066
	Deferred Shares	28-Feb-20	1,064	11.86	28-Feb-22	28-Feb-22	–	0.00%	–	0.00%	1,064
	Deferred Shares	28-Feb-20	1,064	11.86	26-Feb-21	26-Feb-21	1,064	100.00%	–	0.00%	–
	Deferred Shares	28-Feb-19	746	12.00	28-Feb-22	28-Feb-22	–	0.00%	–	0.00%	746
	Deferred Shares	28-Feb-19	742	12.00	28-Feb-21	28-Feb-21	742	100.00%	–	0.00%	–
	Deferred Shares	10-May-18	1,004	10.86	10-May-21	10-May-21	1,004	100.00%	–	0.00%	–
	Total of Deferred Shares										**7,789**

Executive KMP	Type of equity	Grant date	Number granted	Fair value at grant date	Vesting date	Expiry date	Number vested[a,b]	% vested	Number lapsed	% lapsed	Number Unvested
J Harris	Equity Rights	26-Feb-21	29,833	8.27	28-Feb-23	28-Feb-23	–	0.00%	–	0.00%	29,833
	Additional Equity Rights and Transition Equity Rights	1-Mar-21	3,514	9.15	1-Mar-21	1-Mar-21	3,514	100.00%	–	0.00%	–
	Performance Rights	26-Feb-21	29,833	2.56	28-Feb-24	28-Feb-24	–	0.00%	–	0.00%	29,833
	Equity Rights	28-Feb-20	23,468	11.86	28-Feb-22	28-Feb-22	–	0.00%	–	0.00%	23,468
	Performance Rights	28-Feb-20	23,468	3.81	28-Feb-23	28-Feb-23	–	0.00%	–	0.00%	23,468
	Equity Rights	28-Feb-19	24,306	12	26-Feb-21	28-Feb-21	24,306	100.00%	–	0.00%	–
	Performance Rights	28-Feb-19	24,306	5.54	28-Feb-22	28-Feb-22	–	0.00%	–	0.00%	24,306
	Transition Equity Rights	28-Feb-19	14,584	12	26-Feb-21	28-Feb-21	14,584	100.00%	–	0.00%	–
	Deferred Share Rights	10-May-19	14,861	12.73	10-May-22	10-May-22	–	0.00%	–	0.00%	14,861
	Performance Rights	10-May-18	19,154	5.79	10-May-21	10-May-21	13,370	69.80%	5,784	30.20%	–
	Deferred Share Rights	10-May-18	18,666	9.58	10-May-21	10-May-21	18,666	100.00%	–	0.00%	–
	Total of Equity Rights and Deferred Share Rights										**68,162**
	Total of Performance Rights										**77,607**
C Lill[e,f]	Equity Rights	26-Feb-21	19,247	8.27	28-Feb-23	28-Feb-23	–	0.00%	19,247	100.00%	–
	Additional Equity Rights and Transition Equity Rights	1-Mar-21	1,790	9.15	1-Mar-21	1-Mar-21	1,790	100.00%	–	0.00%	–
	Performance Rights	26-Feb-21	19,247	2.56	28-Feb-24	28-Feb-24	–	0.00%	19,247	100.00%	–
	Equity Rights	28-Feb-20	13,059	11.86	28-Feb-22	28-Feb-22	–	0.00%	–	0.00%	13,059
	Performance Rights	28-Feb-20	13,059	3.81	28-Feb-23	28-Feb-23	–	0.00%	13,059	100.00%	–
	Equity Rights	28-Feb-19	12,379	12	26-Feb-21	28-Feb-21	12,379	100.00%	–	0.00%	–
	Performance Rights	28-Feb-19	12,379	5.54	28-Feb-22	28-Feb-22	–	0.00%	–	0.00%	12,379
	Transition Equity Rights	28-Feb-19	7,427	12	26-Feb-21	28-Feb-21	7,427	100.00%	–	0.00%	–
	Deferred Share Rights	10-May-19	8,392	12.73	10-May-22	10-May-22	–	0.00%	8,392	100.00%	–
	Performance Rights	10-May-18	9,577	5.79	10-May-21	10-May-21	6,685	69.80%	2,892	30.20%	–
	Deferred Share Rights	10-May-18	9,825	9.58	10-May-21	10-May-21	9,825	100.00%	–	0.00%	–
	Total of Equity Rights and Deferred Share Rights										**13,059**
	Total of Performance Rights										**12,379**

Executive KMP	Type of equity	Grant date	Number granted	Fair value at grant date	Vesting date	Expiry date	Number vested[a,b]	% vested	Number lapsed	% lapsed	Number Unvested
J McNeill[d]	Equity Rights	26-Feb-21	19,713	8.27	28-Feb-23	28-Feb-25	-	0.00%	-	0.00%	19,713
	Additional Equity Rights and Transition Equity Rights	1-Mar-21	2,536	9.15	1-Mar-21	28-Feb-23	2,536	100.00%	-	100.00%	-
	Performance Rights	26-Feb-21	19,713	2.56	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	19,713
	Equity Rights	28-Feb-20	16,553	11.86	28-Feb-22	28-Feb-24	-	0.00%	-	0.00%	16,553
	Performance Rights	28-Feb-20	16,553	3.81	28-Feb-23	28-Feb-23	-	0.00%	-	0.00%	16,553
	Equity Rights	28-Feb-19	17,535	12	26-Feb-21	28-Feb-23	17,535	100.00%	-	0.00%	-
	Performance Rights	28-Feb-19	17,535	5.54	28-Feb-22	28-Feb-22	-	0.00%	-	0.00%	17,535
	Transition Equity Rights	28-Feb-19	10,521	12	26-Feb-21	28-Feb-23	10,521	100.00%	-	0.00%	-
	Deferred Share Rights	10-May-19	10,567	12.73	10-May-22	10-May-22	-	0.00%	-	0.00%	10,567
	Performance Rights	10-May-18	13,682	5.79	10-May-21	10-May-21	9,551	69.81%	4,131	30.19%	-
	Deferred Share Rights	10-May-18	13,731	9.58	10-May-21	10-May-21	13,731	100.00%	-	0.00%	-
	Total of Equity Rights and Deferred Share Rights										**46,833**
	Total of Performance Rights										**53,801**
S New[d]	Equity Rights	26-Feb-21	28,284	8.27	28-Feb-23	28-Feb-25	-	0.00%	-	0.00%	28,284
	Additional Equity Rights and Transition Equity Rights	1-Mar-21	3,458	9.15	1-Mar-21	1-Mar-21	3,458	100.00%	-	0.00%	-
	Performance Rights	26-Feb-21	28,284	2.56	28-Feb-24	28-Feb-24	-	0.00%	-	0.00%	28,284
	Equity Rights	28-Feb-20	23,750	11.86	28-Feb-22	28-Feb-24	-	0.00%	-	0.00%	23,750
	Performance Rights	28-Feb-20	23,750	3.81	28-Feb-23	28-Feb-23	-	0.00%	-	0.00%	23,750
	Equity Rights	28-Feb-19	23,911	12	26-Feb-21	28-Feb-23	23,911	100.00%	-	0.00%	-
	Performance Rights	28-Feb-19	23,911	5.54	28-Feb-22	28-Feb-22	-	0.00%	-	0.00%	23,911
	Transition Equity Rights	28-Feb-19	14,347	12	26-Feb-21	28-Feb-21	14,347	100.00%	-	0.00%	-
	Deferred Share Rights	10-May-19	13,520	12.73	10-May-22	10-May-22	-	0.00%	-	0.00%	13,520
	Performance Rights	10-May-18	15,962	5.79	10-May-21	10-May-21	11,142	69.80%	4,820	30.20%	-
	Deferred Share Rights	10-May-18	17,164	9.58	10-May-21	10-May-21	17,164	100.00%	-	0.00%	-
	Total of Equity Rights and Deferred Share Rights										**65,554**
	Total of Performance Rights										**75,945**

Executive KMP	Type of equity	Grant date	Number granted	Fair value at grant date	Vesting date	Expiry date	Number vested[a,b]	% vested	Number lapsed	% lapsed	Number Unvested
A Todd	Equity Rights	26-Feb-21	30,314	8.27	28-Feb-23	28-Feb-23	–	0.00%	–	0.00%	30,314
	Additional Equity Rights and Transition Equity Rights	1-Mar-21	3,930	9.15	1-Mar-21	1-Mar-21	3,930	100.00%	–	0.00%	–
	Performance Rights	26-Feb-21	30,314	2.56	28-Feb-24	28-Feb-24	–	0.00%	–	0.00%	30,314
	Equity Rights	28-Feb-20	23,846	11.86	28-Feb-22	28-Feb-22	–	0.00%	–	0.00%	23,846
	Performance Rights	28-Feb-20	23,846	3.81	28-Feb-23	28-Feb-23	–	0.00%	–	0.00%	23,846
	Equity Rights	28-Feb-19	27,183	12	26-Feb-21	28-Feb-21	27,183	100.00%	–	0.00%	–
	Performance Rights	28-Feb-19	27,183	5.54	28-Feb-22	28-Feb-22	–	0.00%	–	0.00%	27,183
	Transition Equity Rights	28-Feb-19	16,310	12	26-Feb-21	28-Feb-21	16,310	100.00%	–	0.00%	–
	Deferred Share Rights	10-May-19	16,784	12.73	10-May-22	10-May-22	–	0.00%	–	0.00%	16,784
	Performance Rights	10-May-18	20,067	5.79	10-May-21	10-May-21	14,007	69.80%	6,060	30.20%	–
	Deferred Share Rights	10-May-18	21,614	9.58	10-May-21	10-May-21	21,614	100.00%	–	0.00%	–
	Total of Equity Rights and Deferred Share Rights										**70,944**
	Total of Performance Rights										**81,343**

(a) This includes equity instruments held by the individual and in a nominated trust.

(b) All Equity Rights, Deferred Share Rights, and Performance Rights that vested during the year were exercisable, except for participants in the UK.

(c) K Fisk was awarded Deferred Shares (DS) prior to being appointed KMP on 25 October 2021.

(d) Equity Rights vested for UK participants during the year are not exercisable until the end of the exercise restriction period.

(e) C Lill and M Blomfield ceased to be KMPs on 25 October 2021.

(f) C Lill's 2021 Performance Rights and Equity Rights, 2020 Performance Rights and 2019 executive Deferred Share Rights lapsed on termination of his employment on 17 December 2021. 2019 Performance Rights and 2020 Equity Rights remained on foot until the original vesting date.

(g) M Blomfield's 2021 Equity Rights remain on foot. 2021 Performance Rights partially lapsed on termination of employment on 27 October 2021.

The maximum value of the grants yet to vest has been determined as the fair value of awards at the grant date. The minimum value is zero as no rights vest if the conditions are not satisfied. The fair value of awards differs from the face value at grant date. The current market value of the grants is based on the current share price, which reflects executive exposure to the same risks and rewards as shareholders.

6.2 Shareholdings

The number of ordinary shares held in Iress Limited during the financial year by each KMP is set out below. Included for each individual are shares held on their behalf by the trustee of the Iress Limited Equity Plans Trust and their personally related parties.

NED

NED have a Minimum Shareholding Requirement to be met either by 31 December 2022, or within three years of their appointment if past this date. NED are required to accrue and hold Iress equity equivalent to 100% of the base fee for being a Member of the Board, unless otherwise determined by the Board.

NED	Balance as at 1 Jan 2021	Shares acquired during the year	Other changes	Balance as at 31 Dec 2021	Value of holdings as a % of base fees
A D'Aloisio[b]	52,281	–	(52,281)	–	n/a
R Sharp[a]	–	10,000	–	10,000	98%
N Beattie	11,185	–	–	11,185	109%
J Cameron	42,426	–	–	42,426	414%
M Dwyer	–	–	–	–	0%
J Fahey	2,584	85	–	2,669	22%
J Hayes[b]	15,226	–	(15,226)	–	n/a
G Tomlinson[b]	8,000	–	(8,000)	–	n/a
T Vonhoff	13,879	5,300	–	19,179	157%
Total	**145,581**	**15,385**	**(75,507)**	**85,459**	

(a) R Sharp was appointed to the Board as NED on 18 February 2021, and as Non-executive Chairman on 7 May 2021.

(b) A D'Aloisio, J Hayes and G Tomlinson balances as at 6 May 2021 when they ceased to be NED.

Executives

Executives have a Minimum Shareholding Requirement to be met either by December 2023, or within five years of commencing if past this date. The CEO is required to accrue and hold Iress equity equivalent to 400% of base salary. Other executives are required to hold 225% of their base salary. This requirement only applies to equity granted from 2019 onwards. Unvested Equity Rights and Transition Equity Rights count towards the requirement but unvested Performance Rights do not.

	Prior remuneration framework awards (pre 2019) and directly acquired shares				New remuneration framework awards (2019 and after)					
Executive KMP	Balance as at 1 Jan 2021	Shares acquired during the year[a]	Other changes	Balance as at 31 Dec 2021[b]	Balance as at 1 Jan 2021	Equity Rights granted during the year[g]	Equity Rights Lapsed during the year	Balance as at 31 Dec 2021[b]	Value of Holding as % of base salary[c]	Value of Total Holdings as % of base salary[d]
A Walsh	546,521	119,475	(140,000)	525,996	156,394	104,319	–	260,713	335%	1001%
M Blomfield[e]	–	–	–	–	–	28,871	–	28,871	n/a	n/a
J Das	–	–	–	–	–	26,465	–	26,465	61%	61%
P Ferguson	34,741	21,686	(30,864)	25,563	41,050	21,142	–	62,192	204%	287%
K Fisk[f]	6,582	4,981	(3,552)	8,011	–	–	–	–	0%	29%
J Harris	24,418	32,036	–	56,454	62,358	33,347	–	95,705	198%	313%
C Lill[e,h]	–	16,510	(16,510)	–	32,865	21,037	(19,247)	34,655	n/a	n/a
J McNeill	8,849	23,282	(12,710)	19,421	44,609	22,249	–	66,858	201%	259%
S New[j]	13,846	29,306	(15,453)	27,699	62,008	31,742	–	93,750	197%	254%
A Todd[i]	16,242	35,627	(35,000)	16,869	67,339	34,244	–	101,583	206%	240%
Total	**651,199**	**282,903**	**(254,089)**	**680,013**	**466,623**	**323,416**	**(19,247)**	**770,792**		

(a) Shares acquired by executive KMP during the year were acquired on the exercise of Deferred Share Rights and Performance Rights or directly acquired. K Fisk's opening balance and shares acquired during the year are shares awarded under the non-executive share plans.

(b) This includes equity instruments held individually and in trusts.

(c) The value of Equity Rights for the purpose of the Minimum Shareholding Requirement calculation is the higher of the grant price and the share price at 31 December 2021, in both cases using the twenty-trading-day volume weighted average share price.

(d) For equity awarded under pre 2019 remuneration frameworks and directly acquired shares, the share price at 31 December 2021 (twenty-trading-day volume-weighted average share price up to and including 31 December 2021) was used to calculate the value.

(e) C Lill and M Blomfield ceased to be KMPs on 25 October 2021.

(f) K Fisk was appointed as KMP from 25 October 2021. The opening balance reported above reflects the balance that she had prior to her appointment as KMP.

(g) This includes 2021 Equity Rights, 2019 Additional Equity Rights and 2019 Additional Transition Equity Rights granted this year.

(h) C Lill's 2021 Equity Rights lapsed on termination of employment on 17 December 2021.

(i) The pre-2019 framework opening balance for A Todd does not match the closing balance in the 2020 Remuneration Report as an additional 16,073 shares are reported as a result of an error in the 2020 closing balance.

(j) The pre-2019 framework opening balance for S New does not match the closing balance in the 2020 Remuneration Report as an additional 3,000 shares are reported as a result of an error in the 2020 closing balance.

6.3 Transactions with KMP

No transactions (excluding share-based payment compensation) occurred between KMP and the Group during 2021.

6.4 Loans to KMP or related parties

No loans to KMP or related parties were provided during 2021.

6.5 Employee share plans

The global employee share plans offered to employees globally continued in 2021. Under the 2021 OneIress Equity award, permanent employees were invited to acquire Iress shares either by:

- salary sacrificing up to specified limits with Iress supplementing this with shares up to a value of $300, or
- receiving free Iress shares or share rights worth $300 with the tax obligations being borne by the participant.

Equity is granted in the form of shares or share rights. In 2021, 973 employees (45% of eligible employees) participated in the plan, subscribing to 83,013 shares and 273 share rights.

This Directors' Report has been verified by Management and reviewed by the Company's Board of Directors and its Audit and Risk Committee.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001 (Cth)*.

Roger Sharp
Chair

Andrew Walsh
Managing Director & Chief Executive Officer

Melbourne
16 February 2022

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
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Australia

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16 February 2022

The Board of Directors
Iress Limited
Level 16, 385 Bourke Street
MELBOURNE VIC
3000

Dear Board Members

Auditor's Independence Declaration to Iress Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of IRESS Limited.

As lead audit partner for the audit of the financial statements of Iress Limited for the financial year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tom Imbesi

Tom Imbesi
Partner
Chartered Accountants

Financial Statements

For the year ended 31 December 2021

This is the financial report for Iress Limited (the 'Company') and its controlled entities (collectively referred to as the 'Group' or 'Iress') for the year ended 31 December 2021.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 $'000	2020[1] $'000
Revenue from contracts with customers	1.3(a)	595,945	542,630
Customer data fees		(52,975)	(48,024)
Communication and other technology expenses		(65,094)	(54,654)
Employee benefit expenses	1.4	(302,915)	(285,250)
Net other expenses	1.6	(26,075)	(29,213)
Profit before depreciation, amortisation, interest and income tax expense		**148,886**	**125,489**
Depreciation and amortisation expense[1]	1.7	(46,978)	(39,146)
Profit before interest and income tax expense		**101,908**	**86,343**
Interest income		193	438
Interest expense		(9,235)	(8,422)
Net interest and financing costs	**3.1(e)**	**(9,042)**	**(7,984)**
Profit before income tax expense		**92,866**	**78,359**
Income tax expense[1]	4.1	(19,068)	(19,146)
Profit after income tax expense		**73,798**	**59,213**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		12,467	(19,150)
Tax-related to exchange differences recognised directly in foreign currency translation reserve[2]		(51)	(76)
Total other comprehensive income/(loss) for the period		**12,416**	**(19,226)**
Total comprehensive income for the period		**86,214**	**39,987**

		Cents per share	Cents per share
Earnings per share			
Basic earnings per share	1.2(a)	38.8	32.4
Diluted earnings per share	1.2(a)	38.5	32.1

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

(1) Prior year restatement due to changes in accounting policy following recent IFRIC agenda decisions. Refer to Note 4.3.

(2) Relates to the tax effect on the exchange differences arising from intercompany monetary items that are treated as part of a net investment in a foreign operation. Under AASB121 – *The Effects of Changes in Foreign Exchange Rates*, the foreign exchange gains or losses on these monetary items are recognised directly in other comprehensive income rather than the profit or loss.

Consolidated Statement of Financial Position

As at 31 December 2021

	Notes	2021 $'000	2020[1] $'000
ASSETS			
Current assets			
Cash and cash equivalents	1.8(a)	64,393	63,141
Receivables and other assets	2.4(a)	74,401	66,113
Current taxation receivables		9,831	2,845
Derivative assets	3.1(c)	-	1,739
Total current assets		**148,625**	**133,838**
Non-current assets			
Intangible assets[1]	2.1(a)	742,615	730,232
Plant and equipment	2.2(a)	32,068	32,740
Right-of-use assets	2.3(c)	77,737	75,307
Deferred tax assets	4.1(c)	31,580	34,335
Total non-current assets		**884,000**	**872,614**
Total assets		**1,032,625**	**1,006,452**
LIABILITIES			
Current liabilities			
Payables and other liabilities	2.5	77,508	83,943
Lease liabilities	2.3(d)	15,384	13,383
Provisions	2.6(a)	15,346	5,914
Current taxation payables		605	544
Total current liabilities		**108,843**	**103,784**
Non-current liabilities			
Lease liabilities	2.3(d)	77,470	71,125
Provisions	2.6(a)	2,950	43,517
Borrowings	3.1(a)	296,530	188,433
Deferred tax liabilities[1]	4.1(c)	9,919	12,795
Total non-current liabilities		**386,869**	**315,870**
Total liabilities		**495,712**	**419,654**
Net assets		**536,913**	**586,798**
EQUITY			
Issued capital	3.2	493,883	558,416
Share-based payments reserve		26,178	35,020
Foreign currency translation reserve		7,323	(5,093)
Retained earnings/(accumulated losses)[1]		9,529	(1,545)
Total equity		**536,913**	**586,798**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

(1) Prior year restatement due to changes in accounting policy following recent IFRIC agenda decisions and update of Onevue's provisional acquisition accounting. Refer to Note 4.2 and Note 4.3.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

	Issued Capital[1] $'000	Share-based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	(Retained Earnings/ (Accumulated Losses) $'000	Total Equity $'000
Balance at 1 January 2020	**383,083**	**30,990**	**14,133**	**6,700**	**434,906**
Impact of change in accounting policy[2]	-	-	-	(1,211)	(1,211)
Adjusted balance at 1 January 2020	**383,083**	**30,990**	**14,133**	**5,489**	**433,695**
Profit for the year	-	-	-	59,213	59,213
Other comprehensive loss	-	-	(19,226)	-	(19,226)
Total comprehensive (loss)/income	**-**	**-**	**(19,226)**	**59,213**	**39,987**
Transactions with owners in their capacity as owners:					
Shares issued during the year[3][6]	175,604	-	-	-	175,604
Share issue costs, net of tax[7]	(2,933)	-	-	-	(2,933)
Dividends declared[4]	2,662	-	-	(83,394)	(80,732)
Share-based payment expense, net of tax[8]	-	21,177	-	-	21,177
Transfer of share-based payments reserve[5]	-	(17,147)	-	17,147	-
	175,333	**4,030**	**-**	**(66,247)**	**113,116**
Balance at 31 December 2020	**558,416**	**35,020**	**(5,093)**	**(1,545)**	**586,798**

	Issued Capital[1] $'000	Share-based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	(Retained Earnings/ (Accumulated Losses) $'000	Total Equity $'000
Balance at 1 January 2021	**558,416**	**35,020**	**(5,093)**	**(1,545)**	**586,798**
Profit for the year	-	-	-	73,798	73,798
Other comprehensive income	-	-	12,416	-	12,416
Total comprehensive income	**-**	**-**	**12,416**	**73,798**	**86,214**
Transactions with owners in their capacity as owners:					
Shares issued during the year[3]	445	-	-	-	445
Purchase of shares for employee share schemes[7]	(20,387)	-	-	-	(20,387)
On-market buy-back of shares[7]	(47,781)	-	-	-	(47,781)
Dividends declared[4]	3,190	-	-	(88,986)	(85,796)
Share-based payment expense, net of tax[8]	-	17,420	-	-	17,420
Transfer of share-based payments reserve[5]	-	(26,262)	-	26,262	-
	(64,533)	**(8,842)**	**-**	**(62,724)**	**(136,099)**
Balance at 31 December 2021	**493,883**	**26,178**	**7,323**	**9,529**	**536,913**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

(1) For details of shares issued during the period please refer to Note 3.2.

(2) Prior year restatement due to changes in accounting policy following recent IFRIC agenda decisions. Refer to Note 4.3.

(3) Shares issued to satisfy Employee Share Plan obligations. Refer to Note 3.2.

(4) Shares issued under the Dividend Reinvestment Plan. Refer to Note 3.2. For dividends declared refer to Note 1.2(c).

(5) The movement from share-based payment reserves to retained earnings represents the grant date fair value of share-based payments that have vested or lapsed during the year. The amount had previously been recognised as a share-based payment expense over the vesting period. Details of share-based payment arrangements are provided in Note 1.5.

(6) Shares issued during 2020 from a share placement and share purchase plan. Refer to Note 3.2.

(7) Shares purchased on market during the year including capitalised share issue costs incurred during the year. Refer to Note 3.2 for more details.

(8) The share-based payment expense on the vesting of employee share-based payments had no tax impact (2020: $0.157 million).

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Notes	2021 $'000	2020 $'000
Cash flows from operating activities			
Cash generated from operating activities	1.8(b)	135,807	165,565
Interest received		253	438
Interest and borrowing costs paid		(6,349)	(7,314)
Interest on lease liabilities	2.3(a)	(2,461)	(2,227)
Income tax paid[1]		(26,040)	(31,588)
Net cash inflow generated from operating activities		**101,210**	**124,874**
Cash flows from investing activities			
Payments for development of intangible assets	2.1(a)	(13,476)	(6,465)
Payments for purchase of plant and equipment	2.2(a)	(10,654)	(17,046)
Proceeds from sale of plant and equipment		6	43
Payment for deferred consideration[2]	2.6(b)	(10,432)	(1,620)
Payments for acquisition of subsidiaries & businesses, net of cash acquired		-	(114,208)
Net cash outflow utilised by investing activities		**(34,556)**	**(139,296)**
Cash flows from financing activities			
Proceed from issue of share capital		-	175,000
Purchase of shares for employee share schemes	3.2	(20,336)	-
On-market buy-back of shares, net of tax	3.2	(47,805)	-
Share purchase/issue costs paid	3.2	(51)	(4,108)
Proceeds from employee share plan repayments	3.2	445	604
Payment of lease liabilities[3]	2.3(d)	(14,437)	(10,334)
Repayment of borrowings within acquired entities		-	(6,482)
Dividends paid		(85,717)	(80,722)
Proceeds from borrowings	3.1(b)	349,739	142,039
Repayment of borrowings	3.1(b)	(246,226)	(172,239)
Net cash (outflow utilised by)/inflow generated from financing activities		**(64,388)**	**43,758**
Net increase in cash and cash equivalents		**2,266**	**29,336**
Cash and cash equivalents at the beginning of the financial year		63,141	33,386
Effects of exchange rate changes on cash and cash equivalents		(1,014)	419
Cash and cash equivalents at end of the year		**64,393**	**63,141**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

(1) The decrease in income tax paid during the current period compared to the corresponding prior period is as a result of changes in the timing of income tax instalment payments primarily in the UK and Australia.

(2) Deferred consideration paid in the current and previous year are in relation to the 2019 acquisition of QuantHouse. Refer to Note 2.6 for more details.

(3) Increase in the payment of lease liabilities during the current period principally relates to leases acquired through the acquisition of OneVue in November 2020.

Section 1. Financial results

1.1 Segment information

Iress has a global presence. The Managing Director and Chief Executive Officer (Iress' Chief Operating Decision Maker) receives internal reporting split by the segments listed below.

Any transactions directly between segments are charged on an arm's length basis.

Iress segments comprise:

(a) Client segments

Client segment financial performance is measured in terms of revenue and direct contribution (defined as revenue less the direct costs of the customer-facing teams that oversee this revenue generation). The Group's client segments are:

APAC

Consists of:

- the Trading & Market Data business which provides market data, trading, compliance, order management, portfolio systems and related tools to financial markets participants in Australia, New Zealand and Asia
- the Financial Advice & Superannuation business which provides financial planning systems and related tools to wealth management professionals located in Australia and New Zealand, and fund administration software to the superannuation and wealth management industries
- the operations of OneVue which provides administration platforms for managed funds, superannuation and investments.

UK & Europe

Incorporates the financial markets business which provides information, trading, compliance, order management, portfolio systems and related tools to cash equity participants; and the wealth management business which provides financial planning systems and related tools to wealth management professionals located in the United Kingdom. In addition, market data services are provided to customers throughout the UK and Europe.

Mortgages

The Mortgages segment operates in the United Kingdom to provide mortgage origination software and associated consulting services to banks.

South Africa

Provides information, trading, compliance, order management, portfolio systems and related tools to financial markets participants and provides financial planning systems and related tools to wealth management professionals located in South Africa.

North America

Provides information, trading, compliance, order management, portfolio systems and related tools to financial markets and wealth management participants in Canada. In addition, market data services are provided to customers in the United States of America.

(b) Cost segments

Product & Technology

All costs associated with product and technology will be reported under this segment giving a clear view of the quantum of investment made by Iress in maintaining and enhancing its products.

Operations

Includes costs to run client-facing and corporate operations activity, including hosting and networks, information security, client help desks and property infrastructure.

Corporate

All other corporate functions include legal, finance and administration, human resources, communications and marketing, board of directors and Chief Executive Officer.

1.1 Segment information (continued)

(b) Cost segments (continued)

The revenue, segment profit and reconciliation to the Group results are shown below:

		Operating revenue[1]		Direct contribution	
		2021 $'000	2020 $'000	2021 $'000	2020[1] $'000
Client segments	APAC	335,346	289,843	239,049	203,977
	UK & Europe	156,157	154,590	98,029	94,363
	Mortgages	29,477	26,925	21,095	18,102
	South Africa	43,450	42,931	33,793	33,928
	North America	31,515	28,341	14,522	11,009
	Total group	**595,945**	**542,630**	**406,488**	**361,379**
Cost segments	Product & Technology			(135,048)	(128,407)
	Operations			(60,031)	(42,619)
	Corporate			(45,177)	(37,435)
	Total indirect costs			**(240,256)**	**(208,461)**
Group results	**Group segment profit**			**166,232**	**152,918**
	Share-based payment expense			(17,419)	(21,020)
	Segment profit after share-based payment expense			**148,813**	**131,898**
	Other non-operating income and expenses[2]			73	(6,409)
	Profit before depreciation, amortisation, interest and income tax expense			**148,886**	**125,489**
	Depreciation and amortisation[3]			(46,978)	(39,146)
	Profit before interest and income tax expense			**101,908**	**86,343**
	Net interest and financing costs			(9,042)	(7,984)
	Income tax expense[3]			(19,068)	(19,146)
	Net profit after income tax expense			**73,798**	**59,213**

(1) Operating revenue is recognised over time in accordance with AASB 15 *Revenue from Contracts with Customers*.

(2) Predominately relates to non-operating income, business acquisition and integration expenses, revaluation of financial liabilities relating to deferred contingent consideration, lease related impairment and expense provisioning and realised and unrealised foreign exchange gains and losses. Refer to Note 1.6.

(3) Prior year restatement due to changes in accounting policy following recent IFRIC agenda decisions. Refer to Note 4.3.

The below table outlines operating revenue and non-current assets by geographical area, being Australia & New Zealand, Asia, UK & Europe, South Africa and North America:

	Operating revenue		Non-current assets[1]	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Australia & New Zealand	323,785	279,976	261,567	262,259
Asia	11,561	9,867	636	777
Total APAC	**335,346**	**289,843**	**262,203**	**263,036**
UK & Europe	185,634	181,515	488,324	475,559
South Africa	43,450	42,931	14,435	15,022
North America	31,515	28,341	9,721	9,355
Grand total	**595,945**	**542,630**	**774,683**	**762,972**

(1) Excludes right-of-use assets, financial instruments and deferred taxes, and predominantly relates to intangible assets. Refer to Note 2.1.

1.2 Earnings per share and dividends per share

(a) Basic and diluted earnings per share, and dividends per share, for the year are:

	Cents per share 2021	Cents per share 2020[1]
Earnings per share	**38.8**	32.4
Diluted earnings per share	**38.5**	32.1
Dividends per share:		
Interim dividend franked to 80% (2020: 35%)	**16.0**	16.0
Final dividend declared after the Statement of Financial Position date franked to 15% (2020: 40%)	**30.0**	30.0

(b) The weighted average number of shares used to calculate earnings per share is as follows:

	Number of shares 2021 '000	Number of shares 2020 '000
Weighted average number of ordinary shares used in basic earnings per share	190,355	182,995
Effect of potentially dilutive shares	1,120	1,411
Weighted average number of ordinary shares used in diluted earnings per share	**191,475**	**184,406**

(c) Dividends recognised during the year and after the Statement of Financial Position date were as follows:

	2021 $'000	2020 $'000
Dividends paid during the year		
Final dividend for 2020 30.0 cents per share franked to 40% (2019: 30.0 cents per share franked to 40%)	57,998	52,477
Interim dividend for 2021 16.0 cents per share franked to 80% (2020: 16.0 cents per share franked to 35%)	30,988	30,917
	88,986	**83,394**
Dividends declared after balance date		
Since the end of the year, the Directors declared a final dividend of 30.0 cents per share franked to 15% (2020: 30.0 cents per share franked to 40%)	56,889	57,998
Franking credit balance		
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2020: 30%)	424	7,921

1.3 Revenue from contracts with customers

Iress designs, develops, and delivers technology solutions for the financial services industry in Australia, Asia, New Zealand, UK & Europe, South Africa and North America.

From these activities, Iress generates the following streams of revenue:

- Software licence revenue.
- Implementation and consulting revenue.
- Royalties revenue from the provision of financial market information.
- Other ancillary fees such as hosting and support service fees.

Each of the above services delivered to customers are considered separate performance obligations, even though for practical expedience they may be governed by a single legal contract with the customer.

Revenue recognition for each of the above revenue streams is as follows:

Revenue stream	Performance obligation	Timing of recognition
Software licence revenue	Access to software.	Software licence revenue is recognised over time as the customer simultaneously receives and consumes the benefit of accessing the software. Revenue is calculated based on the number of licences used and rate per licence, or as a negotiated package for large customers. Changes in these factors over time may impact the revenue recognised over the life of the contract. Software licence revenue is recognised as the amount to which the Group has a right to invoice. Customers are typically invoiced monthly and consideration is payable when invoiced, which corresponds directly with the performance completed to date in respect of this stream.
Implementation and consulting revenue	As defined in the contract. For implementation revenue – typically the completion of data conversions, completion of user acceptance testing, provision of functional environments.	Revenue is recognised over time as services are delivered. Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is calculated based on time and materials used. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period. Recognition is determined based on the actual labour hours spent as a proportion of total expected hours. This requires a judgement of the forecast expected hours and changes in implementation timing. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware.
Royalties revenue	Provision of financial market information.	Royalties revenue is recognised over time as the customer simultaneously receives and consumes the benefit of accessing the information. Royalties revenue is recognised as the amount to which the Group has the right to invoice. Customers are typically invoiced monthly and consideration is payable when invoiced, which corresponds directly with the performance completed to date in respect of this stream.
Other ancillary fees	Provision of hosting services, cloud services, support and maintenance services.	Over time, depending on circumstances.

Some contracts include multiple deliverables, such as implementation services and software licences.

Because the implementation services do not include client-specific material software customisation, and could be performed by another party, the implementation service and software licences are accounted for as separate performance obligations. In these cases, the transaction prices are allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus a margin.

In fixed-price contracts, the customer pays the fixed amount based on an agreed payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised at the amount to which the Group has the right to invoice (i.e. based on hours actually incurred in providing the service to the client). Customers are invoiced monthly and consideration is payable when invoiced.

(a) Revenue by client segment is summarised below:

Revenue stream	Revenue recognition	APAC $'000	UK & Europe $'000	Mortgages $'000	South Africa $'000	North America $'000	Total $'000
For the year ended 31 December 2020							
Software licence revenue	Over time	238,552	129,499	11,773	39,817	23,074	**442,715**
Implementation and consulting revenue	Over time	14,651	2,317	14,568	54	–	**31,590**
Royalties revenue	Over time	25,178	8,439	–	1,696	3,254	**38,567**
Other ancillary fees	Over time	11,462	14,335	584	1,364	2,013	**29,758**
Total revenue		**289,843**	**154,590**	**26,925**	**42,931**	**28,341**	**542,630**

Revenue stream	Revenue recognition	APAC $'000	UK & Europe $'000	Mortgages $'000	South Africa $'000	North America $'000	Total $'000
For the year ended 31 December 2021							
Software licence revenue	Over time	285,910	130,209	17,121	40,133	23,898	**497,271**
Implementation and consulting revenue	Over time	9,739	1,777	12,224	95	–	**23,835**
Royalties revenue	Over time	27,749	9,457	–	1,745	3,969	**42,920**
Other ancillary fees	Over time	11,948	14,714	132	1,477	3,648	**31,919**
Total revenue		**335,346**	**156,157**	**29,477**	**43,450**	**31,515**	**595,945**

(b) Receivables, contract assets, and contract liabilities from contracts with customers by client segment are summarised below:

	APAC $'000	UK & Europe $'000	Mortgages $'000	South Africa $'000	North America $'000	Total $'000
For the year ended 31 December 2020						
Trade receivables	18,445	9,364	557	1,597	758	**30,721**
Contract assets	6,789	5,827	3,432	349	–	**16,397**
Contract liabilities	(787)	(11,584)	(797)	–	(245)	**(13,413)**

	APAC $'000	UK & Europe $'000	Mortgages $'000	South Africa $'000	North America $'000	Total $'000
For the year ended 31 December 2021						
Trade receivables	18,152	12,232	557	1,773	837	**33,551**
Contract assets	7,478	3,943	1,862	404	–	**13,687**
Contract liabilities	(1,319)	(13,192)	(1,424)	(35)	(534)	**(16,504)**

1.3 Revenue from contracts with customers (continued)

(c) Revenue recognised in relation to contract assets and liabilities

The following table shows the revenue recognised in the current reporting period in relation to the contract assets and contract liabilities:

	Contract assets		Contract liabilities	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Balance at the beginning of the year	16,397	17,223	(13,413)	(12,083)
Transfer from contract assets to receivables	(16,691)	(17,154)	–	–
Revenue raised for work performed but not yet billed	13,595	15,891	–	–
Decrease due to revenue recognised from performance obligations satisfied	–	–	13,382	12,340
Increase due to cash received, excluding amount recognised during the year	–	–	(16,471)	(13,902)
Foreign currency translation	386	437	(2)	232
Balance at the end of the year	**13,687**	**16,397**	**(16,504)**	**(13,413)**

(d) Transaction price allocated to the remaining performance obligations

The following table includes the revenue on existing contracts expected to be recognised in the future which relates to performance obligations that are unsatisfied (or partially satisfied) at the reporting date:

Year in which transaction price is expected to be realised	Revenue stream	Revenue recognition	APAC $'000	UK & Europe $'000	Mortgages $'000	South Africa $'000	North America $'000	Total $'000
2022	Software licence revenue	Over time	1,098	2,700	1,394	34	–	5,226
	Implementation and consulting revenue	Over time	307	855	3,766	–	–	4,928
	Other ancillary fees	Over time	–	–	–	–	420	420
	Total revenue		**1,405**	**3,555**	**5,160**	**34**	**420**	**10,574**
2023	Software licence revenue	Over time	–	2,856	–	–	–	2,856
	Other ancillary fees	Over time	–	–	–	–	110	110
	Total revenue		**–**	**2,856**	**–**	**–**	**110**	**2,966**
2024	Software licence revenue	Over time	–	750	–	–	–	750
	Total revenue		**–**	**750**	**–**	**–**	**–**	**750**
2025	Software licence revenue	Over time	–	148	–	–	–	148
	Total revenue		**–**	**148**	**–**	**–**	**–**	**148**
Total	Software licence revenue	Over time	1,098	6,454	1,394	34	–	8,980
	Implementation and consulting revenue	Over time	307	855	3,766	–	–	4,928
	Other ancillary fees	Over time	–	–	–	–	530	530
	Total revenue		**1,405**	**7,309**	**5,160**	**34**	**530**	**14,438**

The Group applies the practical expedient in the revenue standard and does not disclose information about the remaining performance obligation on contracts that have an original expected duration of one year or less or where the Group has the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance to date.

The table above, therefore, does not include revenue expected to be recognised in future years on software licences, royalties and other ongoing contracts where the Group will recognise revenue in the amount to which the entity has a right to invoice.

1.4 Employee benefit expenses

Short-term employee benefits, mainly comprising base salary and annual leave costs are expensed as the employee renders services.

Post-employment benefits which comprise Iress' contribution to defined contribution retirement plans are expensed as the service is received from the employee.

Termination benefits are amounts paid to employees when their employment is terminated. These are expensed when Iress can no longer withdraw the offer of the termination benefit.

	Notes	2021 $'000	2020 $'000
Short-term and other employee benefits		(259,179)	(237,930)
Post-employment benefits		(21,959)	(19,189)
Termination benefits		(925)	(484)
Share-based payment expense	1.5(c)	(17,419)	(21,020)
Employee administration expense		(3,433)	(6,627)
		(302,915)	**(285,250)**

Key Management Personnel

Executive and Non-Executive Director Key Management Personnel compensation included in total employee benefits for the year is set out below:

	2021 $'000	2020 $'000
Short-term and other employee benefits	(6,121)	(5,637)
Long-term employee benefits	(20)	(69)
Post-employment benefits	(359)	(309)
Share-based payment expense	(4,105)	(5,205)
	(10,605)	**(11,220)**

Detailed remuneration disclosures are provided in the Audited Remuneration Report including a description of the executive remuneration framework.

1.5 Share-based payments

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to meet. Therefore, the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(a) Details of share plans

To assist in the attraction, retention and motivation of employees, the Group operated the following share-based payment plans up to the end of 2021:

Plan	Key terms	Performance condition	Performance/ restriction period	Dividends received before vesting	If participant leaves before end of performance period
Executive Equity Rights - From 2019	Eligible participants receive equity rights at no cost.	Individual performance criteria	2 year vesting followed by 2 year holding lock	No but dividend equivalent "top-up" on vesting	Generally forfeited (Board discretion may apply)
Executive Transition Equity Rights - In 2019	Eligible participants receive equity rights at no cost.	Individual performance criteria	2 year vesting followed by 2 year holding lock	No but dividend equivalent "top-up" on vesting	Generally forfeited (Board discretion may apply)
Executive PR Plan - CEO - From 2019	CEO receives performance rights at no cost.	Absolute total shareholder return (ATSR) against hurdles	3 years	No	Generally forfeited (Board discretion may apply)
Executive PR Plan - From 2019	Eligible participants receive performance rights at no cost.			No	Generally forfeited (Board discretion may apply)
Executive PR Plan - CEO - Prior to 2019	CEO receives performance rights at no cost.	Total shareholder return (TSR) against peer group	3 years and 4 years	No	Generally forfeited (Board discretion may apply)
Executive PR Plan - Prior to 2019	Eligible participants receive performance rights at no cost.		3 years	No	
Employee Deferred Share Plan - From 2019	Eligible participants receive deferred shares at no cost.	Individual performance criteria	3 years (vesting in equal portions annually)	Yes	Generally forfeited (Board discretion may apply)
Employee Deferred Share Plan - Prior to 2019	Eligible participants receive deferred shares at no cost.		3 years	Yes	
Employee Deferred Share Rights Plan - From 2019	Eligible participants receive deferred rights at no cost.		3 years (vesting in equal portions annually)	Yes	
Employee Deferred Share Rights Plan - Prior to 2019	Eligible participants receive deferred rights at no cost.		3 years	No	
OneIress Equity award/UK Share Incentive Plan	Eligible participants are invited to acquire Iress shares, Iress matches this participation to a set value.	Nil	3 years	Yes	Matched shares are forfeited under the UK Share Incentive Plan and released under the General Employee Share Plan and OneIress Equity Plan

The 2021 Remuneration Report provides details of changes to CEO and Executive share-based payment plans from 2022 onwards.

As at 31 December 2021, the total unvested shares in the OneIress Equity award were 107,205 (2020: 106,225) and 281 unvested share rights (2020: 29).

(b) Grant date fair value

The grant date fair value of the employee deferred share plans reflects the market price of shares on the grant date given that the awards provide dividends to recipients of grants throughout the vesting period.

The grant date fair value of Executive Plans are independently determined using a Monte Carlo simulation option pricing model using standard option pricing inputs such as the underlying share price, exercise price, expected dividends, expected risk free rates and expected share price volatility. Key inputs include:

Grant date fair value

Key inputs in determining grant date fair value	Executive Performance Rights	Executive Equity Rights
Model used	Monte Carlo	Monte Carlo
Risk free rate	0.27% - 0.34%	0.07% - 0.09%
Share price volatility	25.00%	25.00%
Dividend yield	5.25%	0.00%

As the vesting conditions of the Employee Deferred Share Plan grants are not linked to company performance and participants receive dividends during the vesting period, the grant date fair value approximates the share price at the date of grant.

(c) Details of shares or rights on issue during the year and the amount expensed during the year is shown below:

			Number of shares					At grant date		Expenses
Type	Grant date	Vesting date	At 1 Jan 2021	Granted	Forfeited	Vested	At 31 Dec 2021	Share price $	Fair value $	2021 $'000
Executive Plans - CEO										
2017 Grant - 3 year	11 May 2017	11 May 2021	54,739	-	(25,179)	(29,560)	-	12.39	6.64	(33)
2017 Grant - 4 year	11 May 2017	11 May 2021	54,739	-	(16,531)	(38,208)	-	12.39	7.05	(35)
2018 Grant - 3 year	10 May 2018	10 May 2022	45,605	-	-	-	45,605	10.86	5.75	(66)
2018 Grant - 4 year	10 May 2018	10 May 2022	45,605	-	-	-	45,605	10.86	5.78	(66)
2018 Grant	10 May 2018	10 May 2021	51,707	-	-	(51,707)	-	10.86	9.58	(59)
2019 Grant - DSR pre 19	09 May 2019	09 May 2022	42,736	-	-	-	42,736	14.22	12.73	(181)
2019 Grant - ER	09 May 2019	26 Feb 2021	80,020	-	-	(80,020)	-	14.22	14.22	(98)
2019 Grant - PR	09 May 2019	28 Feb 2022	80,020	-	-	-	80,020	14.22	8.60	(245)
2020 Grant - ER	08 May 2020	28 Feb 2022	76,374	-	-	-	76,374	10.92	11.86	(500)
2020 Grant - PR	08 May 2020	28 Feb 2023	80,916	-	-	-	80,916	10.92	2.61	(75)
2021 Grant - ER	07 May 2021	28 Feb 2023	-	97,089	-	-	97,089	10.01	9.01	(314)
2021 Grant - PR	07 May 2021	28 Feb 2024	-	102,863	-	-	102,863	10.01	3.19	(76)
			612,461	**199,952**	**(41,710)**	**(199,495)**	**571,208**			**(1,748)**

1.5 Share-based payments (continued)

(b) Grant date fair value (continued)

Type	Grant date	Vesting date	Number of shares					At grant date		Expenses
			At 1 Jan 2021	Granted	Forfeited	Vested	At 31 Dec 2021	Share price $	Fair value $	2021 $'000
Executive Plans – Non-CEO										
2018 Grant	10 May 2018	10 May 2021	170,470	-	(51,476)	(118,994)	-	10.86	5.79	(117)
2019 Grant – DSR pre 19	09 May 2019	09 May 2022	133,502	-	(24,865)	-	108,637	14.22	12.73	(287)
2019 Grant – ER & TER	28 Feb 2019	26 Feb 2021	372,509	-	-	(372,509)	-	12.00	12.00	(355)
2019 Grant – PR	28 Feb 2019	28 Feb 2022	240,289	-	(45,431)	-	194,858	12.00	5.54	(172)
2020 Grant – ER	28 Feb 2020	28 Feb 2022	220,643	-	(39,152)	-	181,491	11.86	11.86	(880)
2020 Grant – PR	28 Feb 2020	28 Feb 2023	220,643	-	(52,211)	-	168,432	11.86	3.81	(158)
2021 Grant – ER	26 Feb 2021	28 Feb 2023	-	300,498	(37,589)	-	262,909	9.19	8.27	(915)
2021 Grant – PR	26 Feb 2021	28 Feb 2024	-	300,498	(58,550)	-	241,948	9.19	2.56	(174)
			1,358,056	**600,996**	**(309,274)**	**(491,503)**	**1,158,275**			**(3,058)**
Employee Deferred Share Plan										
2018 Grant[1]	10 May 2018	10 May 2021	752,721	-	(10,837)	(741,884)	-	10.86	10.86	(852)
2019 Grant – EAG – B	28 Feb 2019	26 Feb 2021	269,757	-	(1,515)	(268,242)	-	12.00	12.00	(235)
2019 Grant – EAG – C	28 Feb 2019	28 Feb 2022	271,062	-	(31,216)	(1,492)	238,354	12.00	12.00	(730)
2020 Grant – EAG – A	28 Feb 2020	26 Feb 2021	350,625	-	(122)	(350,503)	-	11.86	11.86	(650)
2020 Grant – EAG – B	28 Feb 2020	28 Feb 2022	350,625	-	(36,639)	(1,561)	312,425	11.86	11.86	(1,678)
2020 Grant – EAG – C	28 Feb 2020	28 Feb 2023	351,455	-	(37,785)	(1,045)	312,625	11.86	11.86	(1,118)
2021 Grant – EAG – A	26 Feb 2021	28 Feb 2022	-	525,290	(53,452)	-	471,838	9.19	9.19	(3,639)
2021 Grant – EAG – B	26 Feb 2021	28 Feb 2023	-	525,290	(53,960)	-	471,330	9.19	9.19	(1,823)
2021 Grant – EAG – C	26 Feb 2021	28 Feb 2024	-	526,323	(54,225)	-	472,098	9.19	9.19	(1,218)
			2,346,245	**1,576,903**	**(279,751)**	**(1,364,727)**	**2,278,670**			**(11,943)**
Employee Deferred Share Rights Plan										
2018 Grant	10 May 2018	10 May 2021	202,015	-	-	(202,015)	-	10.86	9.58	(227)
2019 Grant – EAG – B	28 Feb 2019	26 Feb 2021	10,814	-	-	(10,814)	-	12.00	12.00	(10)
2019 Grant – EAG – C	28 Feb 2019	28 Feb 2022	10,869	-	(559)	-	10,310	12.00	12.00	(37)
2020 Grant – EAG – A	28 Feb 2020	26 Feb 2021	12,619	-	-	(12,619)	-	11.86	11.86	(23)
2020 Grant – EAG – B	28 Feb 2020	28 Feb 2022	12,619	770	(1,729)	-	11,660	11.86	11.86	(64)
2020 Grant – EAG – C	28 Feb 2020	28 Feb 2023	12,653	773	(1,733)	-	11,693	11.86	11.86	(43)
2021 Grant – EAG – A	26 Feb 2021	28 Feb 2022	-	20,801	(2,008)	-	18,793	9.19	9.19	(145)
2021 Grant – EAG – B	26 Feb 2021	28 Feb 2023	-	20,801	(2,008)	-	18,793	9.19	9.19	(72)
2021 Grant – EAG – C	26 Feb 2021	28 Feb 2024	-	20,851	(2,016)	-	18,835	9.19	9.19	(49)
			261,589	**63,996**	**(10,053)**	**(225,448)**	**90,084**			**(670)**
Total			**4,578,351**	**2,441,847**	**(640,788)**	**(2,281,173)**	**4,098,237**			**(17,419)**

(1) The weighted average remaining contractual life of the above grants is 0.9 years (2020: 1.4 years).

1.6 Other expenses

(a) Included in other operating and other non-operating expenses are the following items:

	Notes	2021 $'000	2020 $'000
Other operating income/(expenses)			
Fees to auditors[1]	1.6(b)	(1,582)	(895)
Irrecoverable trade debtors written off		(369)	(637)
Credit loss allowances released to the profit and loss		494	50
Rental expense relating to short-term or low-value leases		(158)	(170)
Other operating expenses[2]		(24,533)	(21,152)
		(26,148)	**(22,804)**
Other non-operating income/(expenses)			
Realised/unrealised (losses) on foreign balances		(138)	(1,041)
Non-operating income		889	1,281
Business acquisition, integration and restructuring expenses		(9,857)	(10,012)
Defence advisory expenses		(4,013)	-
Remeasurement of deferred acquisition consideration[3]	2.6(b)	22,290	5,128
(Recognition)/release of onerous contracts		(2,108)	128
(Recognition)/release of severance pay provision	2.6(b)	(52)	23
Impairment of right-of-use assets	2.3(c)	(3,889)	-
Other non-operating expenses[4]		(3,049)	(1,916)
		73	**(6,409)**
Net other expenses		**(26,075)**	**(29,213)**

(1) Increase in audit fees primarily relates to ordinary course of business internal control audits relating to OneVue's client services.

(2) Includes office related expenses, insurance premiums, professional and legal fees and marketing expenses.

(3) The remeasurement Includes the net release of provisions in relation to QuantHouse deferred acquisition consideration ($14.2 million) and BC Gateways deferred acquisition consideration ($8.1 million) after final settlement was agreed for the contractual earnout arrangements.

(4) Comprises all other non-operating project related expenses.

(b) Fees to auditors, Deloitte Touche Tohmatsu and other audit firms, for services rendered are as follows:

	2021 $	2020 $
Auditors of the parent entity		
Audit or review of the financial report	(553,088)	(432,115)
Other assurance services	(491,575)	-
Other non-audit services[1]	(89,654)	(8,000)
	(1,134,317)	**(440,115)**
Network firms of the parent entity auditor		
Audit or review of the financial report	(355,413)	(363,116)
	(355,413)	**(363,116)**
Other audit firms		
Audit or review of subsidiary financial statements	(92,355)	(91,825)
	(92,355)	**(91,825)**
Total fees to auditors	**(1,582,085)**	**(895,056)**

(1) Other non-audit services comprise tax and consulting services.

1.7 Depreciation and amortisation

Depreciation and amortisation is calculated on a straight line basis over the expected useful life of the respective assets.

	Notes	2021 $'000	2020 $'000
Depreciation and amortisation expense			
Amortisation – intangible assets	2.1(a)	(19,445)	(15,862)
Depreciation – plant and equipment	2.2(a)	(11,515)	(10,807)
Depreciation – right-of-use assets	2.3(c)	(16,018)	(12,477)
		(46,978)	**(39,146)**

1.8 Notes to the Consolidated Statement of Cash Flows

(a) Cash and cash equivalents comprise cash at bank held in the following currencies, translated to Australian dollars:

	2021 $'000	2020 $'000
Australian Dollar	35,536	32,634
Euro	1,260	1,735
British Pound	10,783	11,699
United States Dollar	1,898	3,634
South African Rand	10,974	8,565
Other currencies	3,942	4,874
Total cash and cash equivalents	**64,393**	**63,141**

(b) Reconciliation of profit attributable to members of the parent entity to cash generated from operating activities:

	Notes	2021 $'000	2020 $'000
Profit for the financial year		73,798	59,213
Adjustment for non-cash and non-operating cash flow items			
Depreciation and amortisation	1.7	46,978	39,146
Net credit loss allowances recognised on trade receivables	2.4(c)	(494)	(50)
Net provision recognised on employee benefits	2.6(b)	136	1,294
Net provision reversed on deferred contingent payments	2.6(b)	(22,290)	(5,128)
Net provision recognised/(reversed) on the onerous contracts	2.6(b)	2,108	(128)
Net provision recognised/(reversed) on other provisions	2.6(b)	52	(23)
Share-based payment expense	1.5(c)	17,419	21,020
Foreign exchanges losses		138	1,041
Losses on sale of plant and equipment		230	33
Gains on derecognition of right-of-use-assets and lease liabilities	2.3(e)	(137)	(751)
(Gains)/losses on the fair value recognition of the right-of-use-assets and lease liabilities	2.3(e)	(1)	788
Impairment on right-of-use assets	2.3(e)	3,889	-
Interest income		(193)	(438)
Interest expense		9,235	8,422
Income tax expense		19,068	19,146
Change in working capital, net of effects from acquisition of controlled entities			
(Increase)/decrease in receivables and other assets		(5,090)	24,301
Decrease in payables and other liabilities		(9,039)	(2,321)
Net cash inflow generated from operating activities		**135,807**	**165,565**

Section 2. Core assets and working capital

2.1 Intangible assets

Intangible assets for the Group comprise goodwill arising from business combinations, customer relationships, computer software and other intangibles (mainly acquired databases and brands). Intangible assets with finite lives are carried at cost, less accumulated amortisation, and accumulated impairment losses.

Goodwill recognised arose from business combinations where the fair value of the consideration paid exceeded the fair value of the assets acquired. Goodwill is considered to have an indefinite life and is not amortised as it represents the synergistic benefits of bringing the businesses together.

Customer relationships, a proportion of computer software and other intangibles were acquired as part of business combinations. These intangible assets are initially recognised at their fair value at the acquisition date. The remainder of the computer software was separately acquired, and initially recognised at cost. Subsequent to initial recognition, intangible assets other than goodwill are amortised over the expected useful lives noted below.

Internally generated assets will be recognised where the cost of actual development can be reliably measured and clearly distinguished from research and ongoing operating and maintenance activities. A significant percentage of software development within the Group occurs contemporaneously with the research phase and ongoing operating and maintenance activities in supporting core customer systems. As a result the separation of the cost of development can be imprecise and difficult to reliably measure. Accordingly, where the expenditure related to the development activity cannot be reliably measured, the Group expenses the amounts in the period they are incurred.

During the year, $13.5 million (2020: $6.5 million) of internally generated computer software assets have been recognised. The amount capitalised (i.e. recognised as an intangible asset) reflects the continuation of product development projects commenced during 2020 as well as new product projects that commenced development in 2021. These projects represent the development of new discrete products or market offerings outside the core customer systems and as a result are able to be reliably measured.

The increase in the amount recognised during 2021 also reflects a full twelve months of development effort in the OneVue business whereas the amount capitalised during 2020 only included two months of OneVue development following the acquisition in November 2020.

(a) The carrying value of intangible assets is shown below:

	Goodwill $'000	Customer Relationships $'000	Computer Software $'000	Other Intangibles $'000	Total $'000
As at 31 December 2020					
Cost	604,498	68,067	241,806	6,090	**920,461**
Accumulated amortisation	–	(34,639)	(151,743)	(3,847)	**(190,229)**
Net carrying value	**604,498**	**33,428**	**90,063**	**2,243**	**730,232**
Movement for the year					
Balance at 1 January 2020	528,676	26,145	61,137	3,790	**619,748**
Change in accounting policy[1]	–	–	–	(1,730)	**(1,730)**
Acquired through business combinations[2]	101,160	12,977	33,462	300	**147,899**
Internally generated development costs	–	–	6,465	–	**6,465**
Disposal[3]	–	–	–	–	**-**
Amortisation	–	(5,081)	(10,681)	(100)	**(15,862)**
Foreign currency translation	(25,338)	(613)	(320)	(17)	**(26,288)**
Balance at 31 December 2020	**604,498**	**33,428**	**90,063**	**2,243**	**730,232**
Expected useful life (years)	*indefinite*	*5 to 15*	*2 to 20*	*3 to 10*	

(1) Prior year restatement due to changes in accounting policy following recent IFRIC agenda decisions. Refer to Note 4.3.

(2) Acquisitions of BC Gateways, O&M Systems and OneVue during 2020.

(3) $142.9 million of fully-amortised intangible assets were disposed of during the period (2020: 3.5 million).

2.1 Intangible assets (continued)

(a) The carrying value of intangible assets is shown below (continued):

	Goodwill $'000	Customer Relationships $'000	Computer Software $'000	Other Intangibles $'000	Total $'000
As at 31 December 2021					
Cost	622,481	52,158	137,705	1,840	**814,184**
Accumulated amortisation	–	(23,555)	(47,897)	(117)	**(71,569)**
Net carrying value	**622,481**	**28,603**	**89,808**	**1,723**	**742,615**
Movement for the year					
Balance at 1 January 2021	604,498	33,428	90,063	2,243	**730,232**
Internally generated development costs	–	–	13,476	–	**13,476**
Disposal[3]	–	–	–	–	**-**
Amortisation	–	(5,176)	(13,737)	(532)	**(19,445)**
Foreign currency translation	17,983	351	6	12	**18,352**
Balance at 31 December 2021	**622,481**	**28,603**	**89,808**	**1,723**	**742,615**
Expected useful life (years)	*indefinite*	*5 to 15*	*2 to 20*	*3 to 10*	

(1) Prior year restatement due to changes in accounting policy following recent IFRIC agenda decisions. Refer to Note 4.3.

(2) Acquisitions of BC Gateways, O&M Systems and OneVue during 2020.

(3) $142.9 million of fully-amortised intangible assets were disposed of during the period (2020: 3.5 million).

(b) Impairment testing for goodwill

In accordance with the accounting standard AASB 136 *Impairment of Assets*, the Group has conducted a review of indicators of impairment during the year for each of the cash generating units (CGUs) to which goodwill has been allocated.

Goodwill is annually tested for impairment, or more frequently when indicators of impairment are identified. In testing for impairment, the carrying amount of each Cash Generating Unit (CGU) is compared against the recoverable amount.

For each CGU tested, the recoverable amount has been calculated based on the value-in-use, using a discounted cash flow (DCF) approach. The DCF uses post-tax cash flow projections based on the most recent five-year financial plan updated for current performance and is discounted at an appropriate after-tax discount rate taking into account the Group's weighted average cost of capital adjusted for any risks specific to the CGU.

Terminal growth rates applied in the DCF are based on estimates of long term inflation and nominal GDP growth in the country in which the CGU primarily operates.

The allocation of goodwill to each cash-generating unit and assumptions applied in calculating the recoverable amounts of the goodwill in testing for impairment include:

	Allocated Goodwill		Post-Tax Discount Rates		Long Term Growth Rates	
Cash generating unit	**2021 $'000**	**2020 $'000**	**2021 %**	**2020 %**	**2021 %**	**2020 %**
APAC Financial Market	42,482	43,246	9.5	7.2	2.7	2.7
ANZ Wealth Management	130,869	130,932	9.5	7.2	2.7	2.7
International Market Data	5,249	5,384	8.7	10.5	2.0	2.0
UK	333,315	317,792	9.0	8.2	2.7	2.7
UK Mortgages	82,036	78,052	9.0	8.2	2.7	2.7
South Africa	13,539	13,939	19.5	17.6	4.5	4.7
Canada	14,991	15,153	10.4	8.6	2.0	2.0
Total goodwill	**622,481**	**604,498**				

Based on the impairment testing performed, it was concluded that no impairment was required to be booked in the year to 31 December 2021.

As reported in Note 4.2 the final goodwill arising from the acquisition of OneVue on 6 November 2020 is $82.9 million. The goodwill has been allocated to the ANZ Wealth Management CGU given that it is expected that the benefits of the acquisition of OneVue will flow to that CGU.

Significant estimates made

The cash flow projections included in the value-in-use models for each CGU assume that any delays in revenue as a result of COVID-19 are recovered in future periods. This assumption is based on the impact of COVID-19 observed during the 2020 and 2021 financial years which has been largely limited to project delays. If COVID-19 does have a longer term material impact on revenue within a CGU, then it will result in reduced headroom or impairment of the goodwill allocated to that CGU.

The Group has also considered the impact of climate change on the cash flow projections included in the value-in-use models and concluded that there is not a significant impact based on current expectations, facts and circumstances.

The CGUs whose impairment testing headroom is most sensitive to assumptions around future revenue growth and increasing margins are the UK, IMD and UK Mortgages CGUs.

For the UK CGU the value-in-use model assumes that the rate of revenue growth will increase from that achieved in 2021 over the forecast period. If that higher revenue growth rate is not achieved it is expected that forecast expenses will be reduced. However, if revenue forecasts were not achieved and expenses continued at forecast levels, the resulting reduction in margins would reduce headroom in relation to the goodwill allocated to the UK CGU.

For the IMD CGU the value-in-use model assumes a continuation of revenue growth with a corresponding increase in margin over the forecast period, as the business increases its recurring revenue base and achieves scale. If that revenue growth is not achieved and expenses grow at forecast levels it will result in reduced headroom in relation to the goodwill allocated to the IMD CGU.

For the UK Mortgages CGU the value-in-use model assumes an increase in revenue growth from that achieved in 2021 due to new client sales across the forecast period with a corresponding increase in margin as the business scales. If the revenue growth across the forecast period is not achieved and expenses grow at forecast levels it will result in reduced headroom in relation to the goodwill allocated to the UK Mortgages CGU.

2.2 Plant and equipment

Plant and equipment are carried at cost, less accumulated depreciation, and any impairment losses.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each annual reporting period.

The depreciation charge for each period is recognised in profit or loss.

(a) The carrying value of plant and equipment is shown below:

	Leasehold improvement $'000	Furniture & fittings $'000	Office equipment $'000	Computer equipment $'000	Work in progress $'000	Total $'000
As at 31 December 2020						
Cost	17,445	16,492	2,361	64,551	7	**100,856**
Accumulated depreciation	(6,207)	(8,042)	(1,470)	(52,397)	–	**(68,116)**
Net carrying value	**11,238**	**8,450**	**891**	**12,154**	**7**	**32,740**
Movement for the year						
Balance at 1 January 2020	7,919	7,749	1,090	10,241	548	**27,547**
Acquired through business combinations[1]	–	39	60	214	–	**313**
Reclassified between asset categories	535	52	95	1,821	(2,503)	**-**
Separately acquired	4,844	2,831	23	7,172	2,176	**17,046**
Disposal	–	(68)	–	(8)	–	**(76)**
Depreciation	(1,634)	(1,924)	(362)	(6,887)	–	**(10,807)**
Foreign currency translation	(426)	(229)	(15)	(399)	(214)	**(1,283)**
Balance at 31 December 2020	**11,238**	**8,450**	**891**	**12,154**	**7**	**32,740**
Expected useful life (years)	*3 to 10*	*3 to 10*	*3 to 5*	*3 to 5*		

	Leasehold improvement $'000	Furniture & fittings $'000	Office equipment $'000	Computer equipment $'000	Work in progress $'000	Total $'000
As at 31 December 2021						
Cost	18,002	14,963	1,851	48,317	–	**83,133**
Accumulated depreciation	(6,475)	(8,009)	(1,233)	(35,348)	–	**(51,065)**
Net carrying value	**11,527**	**6,954**	**618**	**12,969**	**-**	**32,068**
Movement for the year						
Balance at 1 January 2021	11,238	8,450	891	12,154	7	**32,740**
Reclassified between asset categories[2]	2,125	663	25	–	(2,813)	**-**
Separately acquired	370	137	123	7,223	2,801	**10,654**
Disposal	(78)	(91)	(40)	(27)	–	**(236)**
Depreciation	(2,334)	(2,323)	(386)	(6,472)	–	**(11,515)**
Foreign currency translation	206	118	5	91	5	**425**
Balance at 31 December 2021	**11,527**	**6,954**	**618**	**12,969**	**-**	**32,068**
Expected useful life (years)	*3 to 10*	*3 to 10*	*3 to 5*	*3 to 5*		

(1) Acquisitions of O&M Systems and OneVue during 2020.

(2) Work-in-progress are transferred to plant and equipment asset classes as brought into use.

(b) Plant and equipment pledged as security

The Group does not have any plant and equipment pledged to secure borrowings of the Group.

2.3 Leases

(a) Summary of leasing amounts recognised in the Statement of Profit or Loss and Statement of Cash Flows:

(i) The table below discloses the principle amounts recognised in the Statement of Profit or Loss as well as contractual lease payments:

	Notes	2021 $'000	2020 $'000
Contractual rental payments	2.3(a) (ii)	(16,898)	(12,561)
Depreciation expense on right-of-use assets	2.3(c)	(16,018)	(12,477)
Impairment of right-of-use assets	2.3(c)	(3,889)	-
Interest expense on lease liabilities	2.3(e)	(2,688)	(2,227)

(ii) The table below discloses the total cash flow relating to leases recognised in the Statement of Cash Flows:

	2021 $'000	2020 $'000
Settlement of lease liabilities	(14,437)	(10,334)
Interest expense on lease liabilities	(2,461)	(2,227)
Total cash outflows for leases	**(16,898)**	**(12,561)**

(b) Iress Group lease portfolio

The Group leases real estate in the ordinary course of its business. The Group's real estate leases comprise office building leases in the countries the Group operates in. Data servers were previously leased in South Africa until May 2021.

The Group's regional lease portfolio:

Region	Lease characteristic features
Australia	The Group leases office buildings in a number of Australian cities, with the most significant being head office in Melbourne and an office in Sydney. The non-cancellable period of the leases range from two to twelve years with variable options to extend the lease terms. The lease payments are adjusted every year, based on contractual fixed percentage increases, and in certain instances, additionally increased by the prevailing consumer price index (CPI) at the lease review date. The Group is required to make good (rehabilitate) the installed interconnecting stairs as part of its fit-out to connect floors at its head office in Melbourne.
South Africa	The Group leases office buildings in South Africa. The non-cancellable period of these leases range from two to seven years with options to extend the lease terms up to five years. The lease payments are adjusted every year by a fixed percentage increase at the lease review date. The Group leased data servers until May 2021.
United Kingdom	The Group leases office buildings in the UK. The non-cancellable period of these leases range from five to ten years. The lease payments are fixed with no increases over the lease terms.
Other	The Group leases other office buildings in other countries. The non-cancellable period of these leases range from three to ten years. The lease payments are fixed with no increases over the lease terms.

(i) Group as a lessee

Right-of-use asset

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset - or to restore the underlying asset or the site on which it is located—less any lease incentives received.

The right-of-use asset is separately disclosed in the Consolidated Statement of Financial Position.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to either the earlier of the end of the useful life of the right-of-use asset, or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2.3 Leases (continued)

(b) Iress Group lease portfolio (continued)

(i) Group as a lessee (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group's average incremental borrowing rate used is 3.07% (2020: 2.83%).

Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments less any lease incentives receivable
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option
- payment of penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is separately disclosed in the Consolidated Statement of Financial Position. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the expected payable amount under a residual value guarantee, or, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured in this way, either a corresponding adjustment is made to the carrying amount of the right-of-use asset, or, it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office and information technology equipment with a lease term of 12 months or less, or for leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis, over the lease term.

(ii) Group as a lessor

When the Group acts as a lessor–generally when it subleases property on which it has entered a head lease as a lessee–it determines at the sublease inception whether each sublease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease. If not, then it is accounted for as an operating lease. As part of this assessment, the Group considers certain indicators, such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the headlease and the sublease separately.

The Group assesses the lease classification of a sublease with reference to the right-of-use asset arising from the headlease, not with reference to the underlying asset. If a headlease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

If an arrangement contains a lease and non-lease component, the Group applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of non-operating income.

(c) Carrying value of right-of-use assets

The Group's right-of-use assets comprise real estate and data server leases. Right-of-use assets have finite lives and are carried at cost less accumulated depreciation.

The carrying value of right-of-use assets is presented below:

	Office buildings		Data servers		Total	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Cost	125,586	107,195	-	124	125,586	107,319
Accumulated depreciation	(47,849)	(31,898)	-	(114)	(47,849)	(32,012)
Net carrying value	**77,737**	**75,297**	**-**	**10**	**77,737**	**75,307**
Movement for the year						
Balance at beginning of the year	75,297	51,850	10	51	75,307	51,901
Acquired through business combinations	-	5,681	-	-	-	5,681
New leases entered into contract	21,806	33,881	-	-	21,806	33,881
Expenses capitalised to right-of-use assets	-	797	-	-	-	797
Impairment of right-of use assets	(3,889)	-	-	-	(3,889)	-
Disposal of right-of use assets from early termination	(751)	(1,720)	-	-	(751)	(1,720)
Fair value adjustments from modified leases	(257)	(1,201)	-	-	(257)	(1,201)
Depreciation	(16,008)	(12,442)	(10)	(35)	(16,018)	(12,477)
Foreign currency translation	1,539	(1,549)	-	(6)	1,539	(1,555)
Balance at end of the year	**77,737**	**75,297**	**-**	**10**	**77,737**	**75,307**
Expected useful life (years)	*1 to 12*	*2 to 12*	*5*	*5*		

The Group has recognised an impairment loss of $3.9 million in 2021 (2020: Nil) in relation to property lease right-of-use assets in Australia and the UK following decisions to transfer the teams working in these locations to other existing leased office space. The impairment loss recognised represents the difference between the previous carrying value of the assets (derived from the net present value of the existing contractual lease rental cash flows) and the net present value of the expected cash flows resulting from subletting or assigning the lease.

(d) Lease liabilities

(i) Lease liabilities included in the Statement of Financial Position at the end of the period:

	2021 $'000	2020 $'000
Current	(15,384)	(13,383)
Non-current	(77,470)	(71,125)
Total	**(92,854)**	**(84,508)**

The Group's liquidity risk with regard to its lease liabilities is managed by the inclusion of lease liability cash flows in the cash flow forecasts regularly monitored by the Group in line with the Group's treasury policy.

2.3 Leases (continued)

(d) Lease liabilities (continued)

(ii) Reconciliation of the movement of the lease liabilities:

	2021 $'000	2020 $'000
Opening carrying value	(84,508)	(57,535)
Lease liabilities assumed in business combinations	-	(8,100)
Lease liabilities raised from the negotiation of new lease contracts	(22,074)	(33,881)
Lease liabilities reversed from early termination of lease contracts	888	2,471
Lease liabilities reversed from changes in subsequent lease payments	258	413
Lease liabilities raised due to the timing of interest payment	(227)	-
Settlement of lease liabilities	14,437	10,334
Foreign currency translation	(1,628)	1,790
Closing carrying value	**(92,854)**	**(84,508)**

(iii) Maturity analysis – contractual undiscounted cash flows:

	2021 $'000	2020 $'000
Less than one year	17,126	15,051
More than one year and not more than five years	62,759	53,803
More than five years	19,384	21,551
Total undiscounted lease liabilities at the end of the period	**99,269**	**90,405**

(e) Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income

The table below shows the amounts recognised in the Statement of Profit or Loss:

	Notes	2021 $'000	2020 $'000
Depreciation expense on right-of-use assets	1.7	(16,018)	(12,477)
Interest expense on lease liabilities	3.1(e)	(2,688)	(2,227)
Expenses relating to short term or low value assets leases		(158)	(170)
Gain/(Loss) on the fair value recognition of the right-of-use-assets and lease liabilities as a result of incremental lease payments		1	(788)
Impairment of right-of-use assets	2.3(c)	(3,889)	-
Gain on the de-recognition of right-of-use assets and lease liabilities		137	751
Income from the sub-leasing of right-of-use assets		-	566

(f) Operating lease arrangements

As at 31 December 2021 the Group had no outstanding sublease arrangements for which the Group was the lessee under a headlease arrangement. The one outstanding sublease arrangement was terminated during the year along with the headlease.

2.4 Receivables and other assets

Trade receivables arise from revenue billed, but not yet settled by the customer.

Revenue arises from providing access to Iress software, rendering of services, or recharging for access to capital markets data. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised over time as the relevant performance obligations identified in a customer contract are satisfied.

Refer to Note 1.3 for further details of revenue recognition.

Where revenue recognised exceeds billings, it results in a contract asset (refer table below), and where cash amounts are received in advance of revenue recognition, it results in a contract liability (refer to Note 1.3(b)).

Iress' credit terms are generally 30 days from the date of invoice. Therefore, the carrying amount of receivables approximates their fair value.

(a) Receivables and other assets as at the end of the year includes

	Notes	2021 $'000	2020 $'000
Trade receivables	2.4(d)	33,551	30,721
Credit loss allowance	2.4(b)	(1,248)	(1,720)
		32,303	**29,001**
Contract assets	1.3(b)	13,687	16,397
Prepayments		24,750	15,642
Deposits		824	901
Financial assets at fair value through profit or loss		480	396
GST/VAT receivables		1,163	447
Other assets		1,194	3,329
		74,401	**66,113**

Included within other assets are financial assets categorised at fair value through profit or loss. Iress has assessed its investments held at fair value through profit and loss and these investments are held for trading, where they are acquired for the purpose of selling in the short term with an intention of making a profit.

These investments primarily comprise holdings in ASX listed equities that are held for operational purposes. Regular purchase and sales of investments are recognised on trade date, the date on which Iress commits to purchase or sell the asset. Investments are initially recognised at fair value with any transaction costs expensed through the statement of profit and loss and other comprehensive income. Subsequent movements in fair value of financial assets are recognised in the statement of profit and loss and other comprehensive income. These instruments—categorised as Level 1 in the Fair Value Hierarchy—are valued using the quoted price in active markets.

2.4 Receivables and other assets (continued)

(b) Credit Loss Allowance

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Expected credit losses are measured by grouping trade receivables and contract assets, based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

A provision matrix is then determined based on the historic credit loss rate for each group of customers, adjusted for any material expected changes to the future credit risk for that customer group.

The credit loss allowance as at 31 December 2020 is determined as follows:

Provision matrix As at 31 December 2020	APAC	UK & Europe	South Africa	North America
1 to 30 days	0.2%	0.4%	0.3%	1.1%
31 to 60 days	0.4%	0.6%	0.6%	1.9%
61 to 90 days	0.9%	1.8%	1.2%	2.4%
Over 90 days	0.9%	1.9%	1.3%	2.4%
Contract assets	0.1%	0.2%	0.1%	0.2%

Ageing of receivables As at 31 December 2020	APAC $'000	UK & Europe $'000	South Africa $'000	North America $'000	Group $'000
1 to 30 days	17,525	8,483	1,362	710	28,080
31 to 60 days	511	630	34	16	1,191
61 to 90 days	22	54	54	12	142
Over 90 days	387	754	147	20	1,308
Total trade receivables	**18,445**	**9,921**	**1,597**	**758**	**30,721**
Contract assets	6,789	9,259	349	–	16,397
Allowance based on historic credit losses	46	71	7	9	133
Adjustment for expected changes in credit risk[1]	814	603	116	54	1,587
Credit loss allowance	**860**	**674**	**123**	**63**	**1,720**

(1) Adjustment to reflect the higher credit risk and probability of default relating to customers that have amounts owing including invoices that are over 90 days past due.

The credit loss allowance as at 31 December 2021 is determined as follows:

Provision matrix **As at 31 December 2021**	**APAC**	**UK & Europe**	**South Africa**	**North America**
1 to 30 days	0.1%	0.6%	0.3%	0.4%
31 to 60 days	0.1%	1.1%	0.6%	0.7%
61 to 90 days	0.1%	1.8%	5.1%	1.0%
Over 90 days	0.1%	1.9%	5.4%	1.0%
Contract assets	0.0%	0.2%	0.2%	0.1%

Ageing of receivables **As at 31 December 2021**	**APAC** **$'000**	**UK & Europe** **$'000**	**South Africa** **$'000**	**North America** **$'000**	**Group** **$'000**
1 to 30 days	16,134	11,963	1,318	823	30,238
31 to 60 days	948	581	417	9	1,955
61 to 90 days	496	33	–	–	529
Over 90 days	574	212	38	5	829
Total trade receivables	**18,152**	**12,789**	**1,773**	**837**	**33,551**
Contract assets	7,478	5,805	404	–	13,687
Allowance based on historic credit losses	12	99	9	3	123
Adjustment for expected changes in credit risk[1]	872	203	21	29	1,125
Credit loss allowance	**884**	**302**	**30**	**32**	**1,248**

(1) Adjustment to reflect the higher credit risk and probability of default relating to customers that are over 90 days past due.

Significant estimate made

The adjustment for material expected changes to credit risk for each client group requires judgement about future events and, therefore, a significant increase in actual credit losses from that expected would lead to a significant impact on financial performance. To date, COVID-19 has not had a material impact on the credit risk profile of Iress' clients. However, the broader economic uncertainty due to COVID-19 could lead to a deterioration in the credit profile within the client base. Iress continues to monitor credit exposures closely.

(c) Movement in credit loss allowance

The movement in the credit loss allowance during the year includes:

	Notes	**2021** **$'000**	**2020** **$'000**
Balance at the beginning of the year		(1,720)	(1,718)
Credit loss allowances released/(recognised) during the year		125	(587)
Credit loss allowance utilised during the year against irrecoverable trade debtors		369	637
Acquired through business combinations		–	(242)
Foreign currency translation		(22)	190
Balance at the end of the year	2.4(a)	**(1,248)**	**(1,720)**

2.5 Payables and other liabilities

Payables and other liabilities are initially measured at fair value. Subsequent to initial measurement, these are recognised at amortised cost.

Liabilities are classified as current where Iress does not have an unconditional right to defer settlement beyond 12 months.

Employee related liabilities primarily comprise the annual leave liability and other employee related entitlements. The annual leave liability is measured as current leave accrued multiplied by current salary plus statutory charges.

Contract liabilities represent amounts received from customers for which revenue has not been earned or recognised.

Finance arrangements relate to the acquisition of software licences.

Due to the short-term nature of current liabilities, the carrying amount approximates their fair value.

	Notes	2021 $'000	2020 $'000
Current			
Trade payables		(7,951)	(9,120)
General accruals		(21,485)	(24,677)
Audit fee accruals		(539)	(559)
Taxation fee accruals		(457)	(290)
Contract liabilities	1.3(b)	(16,504)	(13,413)
GST/VAT payable		(5,741)	(13,606)
Employee related liabilities		(21,796)	(19,174)
Dividend payable		(164)	(86)
Accrued interest		(581)	(437)
Other liabilities		(2,290)	(2,581)
		(77,508)	**(83,943)**

The Group's exposure to foreign currency risk arising from translating payables, and other liabilities to the Group's functional currency, is considered insignificant. The exposure is monitored on a net working capital basis, refer to Note 3.3.

Liquidity risk arises from current payables, and other liabilities, payable in less than one year. The Group manages this liquidity risk by maintaining sufficient cash and current assets to meet the contractual obligations as they arise.

2.6 Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Employee benefits mainly comprise employee long service leave entitlements in Australia. The amount reflected as a current provision in 2021 reflects the amount relating to employees who have reached the statutory length of service required to either take the leave or for it to be paid out on departure from the Group. Previously the Group reflected only the amount expected to be taken in the following twelve months as current.

Deferred consideration represents purchase consideration payable for acquisitions once certain conditions are met as stipulated in the contracts. These are measured at the discounted value of the best estimate of the cash payable based on conditions existing at the balance date.

The measurement of deferred consideration at fair value at each reporting date requires estimates to be made about expected revenue and expenses over the measurement period to which the deferred consideration relates.

The current provision for deferred contingent consideration in relation to the acquisition of BC Gateways Limited in 2020 is $4.4 million (2020: Nil) and the non current provision for deferred contingent consideration in relation to the acquisition of BC Gateways is nil (2020: $12.5 million). During the year the Group entered into an agreement with the previous owners of BC Gateways to settle the deferred contingent consideration for $4.4 million. This amount was subsequently settled in January 2022.

The current provision for deferred contingent consideration in relation to the acquisition of QuantHouse in 2019 is nil (2020: $4.2 million) and the non current provision for deferred contingent consideration in relation to the acquisition of QuantHouse is nil (2020: $21.1 million). During the year the total amount paid to the former owners of QuantHouse sellers was $10.4 million after the Group entered into an agreement to settle the remaining deferred contingent consideration.

Onerous contracts represent the expected losses on non-cancellable property lease commitments no longer utilised by the Group. The amount provided for represents the present value of the future expected expenses to be incurred in relation to the leased premises over the remaining lease term.

(a) Provisions as at the end of the year include:

	2021 $'000	2020 $'000
Current provisions		
Employee benefits	(8,715)	(1,610)
Deferred consideration	(4,400)	(4,230)
Onerous contracts	(2,171)	(64)
Other provisions	(60)	(10)
Total current provisions	**(15,346)**	**(5,914)**
Non-current provisions		
Employee benefits	(2,950)	(9,926)
Deferred consideration	–	(33,591)
Total non-current provisions	**(2,950)**	**(43,517)**
Total provisions	**(18,296)**	**(49,431)**

(b) The carrying value of provisions are reconciled as follows:

As at 31 December 2020	Employee benefits $'000	Deferred consideration $'000	Onerous loss provision $'000	Other provisions $'000	Total $'000
Balance at 1 January 2020	(8,694)	(28,311)	(192)	(32)	(37,229)
Assumed in business combination	(1,552)	(16,158)	–	–	(17,710)
Provision raised during the year	(1,294)	–	–	–	(1,294)
Provision reversed during the year	–	5,128	128	23	5,279
Provision utilised during the year	–	1,620	–	–	1,620
Foreign currency translation	4	(100)	–	(1)	(97)
Balance at 31 December 2020	**(11,536)**	**(37,821)**	**(64)**	**(10)**	**(49,431)**

As at 31 December 2021	Employee benefits $'000	Deferred consideration $'000	Onerous loss provision $'000	Other provisions $'000	Total $'000
Balance at 1 January 2021	(11,536)	(37,821)	(64)	(10)	(49,431)
Provision raised during the year	(136)	–	(2,108)	(52)	(2,296)
Provision reversed during the year	–	22,290	–	–	22,290
Provision utilised during the year	–	10,432	–	–	10,432
Foreign currency translation	7	699	1	2	709
Balance at 31 December 2021	**(11,665)**	**(4,400)**	**(2,171)**	**(60)**	**(18,296)**

2.7 Commitments and contingencies

(a) Capital commitments

As at 31 December 2021, no capital expenditure has been contracted or provided for (2020: Nil).

(b) Contingencies

As at 31 December 2021, no material contingent liabilities have been contracted or provided for (2020: Nil).

Section 3. Debt and equity

3.1 Debt facilities and derivatives

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any gains or losses are recognised in the Statement of Profit or Loss in the event the borrowings are derecognised.

On 19 November 2021, Iress entered into agreements with its lenders to extend the expiry date on its unsecured bank facilities from April 2024 to October 2025. The amount of the unsecured bank facilities was reduced by $5 million to $400 million. The covenant requirements remain unchanged.

(a) Details of borrowings held by the Group include:

	2021 $'000	2020 $'000
Non-current		
4 year $400 million bank facility to October 2025		
AUD	75,000	48,500
GBP	174,005	107,123
EUR	49,138	34,403
Total amount drawn	**298,143**	**190,026**
Borrowing costs capitalised	(1,613)	(1,593)
Total borrowings	**296,530**	**188,433**

The bank facilities allow multi-currency drawdowns and are at variable interest rates based on BBSY, SONIA and EURIBOR benchmark rates plus a market margin. Amounts can be repaid at the discretion of the Group. Therefore, the amounts drawn approximate their fair value.

Not included in the table above is a $15 million (2020: $10million) revolving capital and contingent instruments facility used for any bank guarantees, letters of credit or similar instruments required by the Group. As at 31 December 2021, $6.5 million (2020: $6.5 million) was utilised. The borrowings are unsecured, and the Group has complied with the financial covenants of its borrowing facilities during the year.

(b) Reconciliation of the movement in borrowings to the financing cash flows include:

	2021 $'000	2020 $'000
Balance at beginning of the year	188,433	225,914
Proceeds from borrowings	349,739	142,039
Repayments of borrowings	(246,226)	(172,239)
Net borrowing costs capitalised	(21)	(1,008)
Foreign exchange rate movements	4,605	(6,273)
Balance at end of the year	**296,530**	**188,433**

(c) Derivatives

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently revalued to fair value at the end of each reporting period.

The fair value of the derivatives is determined by first calculating the future cash flows estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, then discounting the future cash flows at a rate that reflects the credit risk of various counterparties.

Iress is not a party to any derivative contracts at 31 December 2021.

	2021 $'000	2020 $'000
Current		
Derivative assets at fair value		
3 year receive AUD/pay GBP to September 2021	–	1,739
Non-current		
Liabilities at fair value		
3 year receive AUD/pay GBP to September 2021	–	–

(d) Contractual maturity analysis

Contractual cash outflow maturity analysis is shown based on undiscounted cash flows. An estimate, based on forward interest rates and foreign currency rates, has been applied in determining interest and foreign cash outflows and inflows. The actual contractual outflow may vary to the amounts disclosed.

31 December 2020 Outflows/(inflows)	Within 1 year $'000	1-3 years $'000	Greater than 3 years $'000
4 year facilities - principal	–	–	190,026
Interest on borrowings	3,420	6,841	1,140
3 year cross currency swaps - principal exchange(1)	(1,554)	–	–
3 year cross currency swaps - interest(1)	(108)	–	–

31 December 2021 Outflows/(inflows)	Within 1 year $'000	1-3 years $'000	Greater than 3 years $'000
4 year facilities - principal	–	–	298,143
Interest on borrowings	6,384	12,768	5,320

(1) Represents expected net cash exchange in AUD that occurs at settlement. Under the terms of the cross currency swaps, the settlements are on a gross basis where Iress receives AUD and pays GBP.

3.1 Debt facilities and derivatives (continued)

(e) Interest expense and financing costs

Interest expense are recognised using the effective interest rate method. Interest expense includes exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustments to interest costs.

Net interest expense and financing costs for the year include:

	Notes	2021 $'000	2020 $'000
Interest income		193	438
Interest expense		(5,685)	(5,294)
Other financing costs comprising:			
Interest expense of lease liabilities	2.3(e)	(2,688)	(2,227)
Amortisation of borrowing costs		(788)	(1,042)
Translation gains/(losses) on intra-group financing arrangements		3,587	(3,397)
Fair value changes on cross currency swaps		(3,746)	3,508
Fair value changes on managed investment		85	30
Net interest expense and financing costs		**(9,042)**	**(7,984)**

3.2 Issued capital

On 29 July 2021, Iress announced the launch of an on-market buyback of up to $100 million of ordinary fully-paid shares to be funded from Iress' existing cash and committed debt facilities.

As at 31 December 2021, Iress had repurchased 4,048,296 shares at an average price of $11.802 for a total amount of $47.8 million. The shares were all cancelled following purchase.

The number of ordinary shares outstanding at the end of the year include:

	Amount		Number of shares	
	2021 $'000	2020 $'000	2021 '000	2020 '000
Balance at the beginning of the year	558,416	383,083	193,326	174,924
New shares issued to employees in relation to employee share schemes	–	–	–	1,370
Purchase of shares issued to employees in relation to employee share schemes	(20,387)	–	–	–
On-market buy-back of shares	(47,781)	–	(4,048)	–
Shares issued to meet obligations under the Dividends Reinvestment Plan	3,190	2,662	350	238
Shares issued under the Equity Placement[1]	–	147,227	–	14,395
Shares issued under the Share Purchase Plan	–	24,840	–	2,399
Shares issued under employee Share Purchase Plan	445	604	–	–
	493,883	**558,416**	**189,628**	**193,326**
Less Treasury Shares[2]	–	–	(2,447)	(2,514)
Balance at the end of the year	**493,883**	**558,416**	**187,181**	**190,812**

(1) Shares issued during the year net of issue cost and tax.

(2) The change is due to the net movement in shares granted and shares vested under the Employee Share Plans.

3.3 Managing financial risks

(a) Market risks

Interest rate risk

The Group's exposure to interest rate risk mainly arises from its variable rate borrowings.

An increase in the benchmark interest rates of 50 basis points (0.5%), with all other factors held constant, would result in an increase in the annual interest cost of the Group of $1.5 million (2020: $0.9 million).

Foreign currency risk

GBP and EUR borrowings do not give rise to foreign currency risk to the Group as they are ultimately held in entities that have a GBP or EUR functional currency respectively.

The Group is exposed to foreign currency transaction risk mainly from intercompany balances denominated in foreign currency. Additional foreign currency risk arises from cash balances, receivables and payables held within each subsidiary but denominated in a currency different to the functional currency of that subsidiary.

The material exposure to foreign currency movements arising from foreign currency working capital balances held within the Group includes:

	2021 $'000	2020 $'000
Working capital denominated in foreign currency		
GBP	1,786	(1,222)
ZAR	32,234	44,374
AUD impact on profit or loss of a 1% increase in foreign currency rates		
GBP	33	(22)
ZAR	28	40

The above excludes the exposure of the Group from translating its foreign operations to the Group presentation currency.

(b) Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to shareholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group is not subject to any significant regulatory capital requirements.

Management reviews the capital structure of the Group on a regular basis. As part of this review, the cost of capital and the risks associated with each class of capital is considered as well as the impact on the Group's available debt facilities (refer to Note 3.1) and the leverage ratio.

The Group's year end leverage ratio:

	Notes	2021 $'000	2020 $'000
Net debt[1]		233,750	125,146
Segment Profit for the last twelve months	1.1(a)	166,232	152,918
Leverage ratio		**1.41**	**0.82**

(1) Measured as borrowings and net derivatives liabilities/assets less cash and cash equivalents.

Section 4. Other disclosures

4.1 Taxation

Total income tax expense comprises current and deferred tax recognised in the Statement of Profit or Loss in the year. Current and deferred tax is also recognised directly in equity, and not in the Statement of Profit or Loss, to the extent it is attributable to amounts and movements which have also been recognised directly in equity.

Current tax

Current tax comprises expected tax payable/receivable on business taxable income/loss which is recognised in the Statement of Profit or Loss in the current year. Any adjustments to tax payable/receivable are recognised in the current year that relate to taxable income/loss recognised in the Statement of Profit or Loss in prior years.

Current tax is measured using the applicable enacted (or substantively enacted) income tax rates, at the reporting date in the countries where the company's subsidiaries and associates operate.

Deferred tax

Deferred tax represents the movements in deferred tax assets and liabilities which have been recognised during the year and which are attributable to amounts recognised in the Statement of Profit or Loss in the current year and the amounts recognised in the Statement of Profit or Loss in prior years. Deferred tax assets and liabilities are attributable to temporary timing differences between the carrying amount of assets and liabilities recognised for financial reporting purposes, and the tax base of assets and liabilities recognised for tax purposes.

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be realised.

Deferred tax liabilities are recognised for all the assessable temporary differences as required by accounting standards.

Deferred tax is determined using tax rates which are expected to apply when the deferred tax asset/liability is expected to be realised based on enacted (or substantively enacted) laws enacted at the reporting date. The measurement of deferred tax also reflects the tax consequences flowing from the manner in which the Group expects, at the reporting date, to realise or settle the carrying amount of its assets and liabilities.

Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a tax consolidated group under Australian Taxation Law. Iress Limited is the head entity of the Australian tax consolidated group. Tax expense, deferred tax assets and deferred tax liabilities arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial accounts of the members of the Australian tax consolidated group using the stand-alone taxpayer approach. Current and deferred tax assets and liabilities arising from unused tax losses, and tax credits of the members of the Australian tax consolidated group, are recognised by the Company (as head entity of the tax consolidated group).

Due to the existence of a tax funding arrangement between the entities in the Australian tax consolidated group, amounts are recognised as payable to, or receivable by, the Company and each member of the Australian tax consolidated group. This is in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the Australian tax consolidated group in accordance with the arrangement.

(a) Income tax expense for the year including current and deferred tax:

	2021 $'000	2020 $'000
Income tax expense recognised in Statement of Profit or Loss		
Current income tax expense		
Current income tax charge	20,045	25,592
Adjustments in respect of current income tax of the previous year	(701)	(521)
	19,344	**25,071**
Deferred income tax expense		
Origination and reversal of temporary differences	(739)	(5,759)
Adjustments in respect of deferred income tax of the previous year	463	(166)
	(276)	**(5,925)**
Total income tax expense recognised in Statement of Profit or Loss	**19,068**	**19,146**
Income tax expense recognised in other comprehensive income		
Arising from gains or losses on long term monetary intercompany balances	(51)	(76)
Income tax expense recognised directly in equity		
Current tax credited directly to other reserves	(240)	(158)
Deferred tax credited directly to other reserves	216	(819)
Total income tax expense recognised in Other Comprehensive Income and Equity	**(75)**	**(1,053)**

(b) The reconciliation of income tax expense at the Australian tax rate to total income tax expense is as follows:

	2021 $'000	2020 $'000
Profit from continuing operations before income tax expense	92,866	78,359
Tax at the Australian tax rate of 30% (2020: 30%)	**27,860**	**23,508**
Income tax expense adjustments:		
Effect of different tax rates in foreign jurisdictions	56	(2,761)
Effect of non-assessable income	(17,403)	(9,976)
Effect of non-deductible expenses	7,448	8,574
Employee share plan	313	312
Adjustments for current and deferred tax of prior years	(238)	(687)
Unrecognised tax losses	1,032	176
Income tax expense	**19,068**	**19,146**

4.1 Taxation (continued)

(c) Deferred income tax assets and liabilities recognised in the Statement of Financial Position:

For the year ended 31 December 2020	Opening balance $'000	Charged to income $'000	Charged to OCI/equity $'000	From business combinations $'000	Exchange differences $'000	Closing balance $'000
Deferred tax assets						
Receivables and other assets	146	153	-	-	(12)	287
Plant and equipment	4,436	228	-	(8)	(259)	4,397
Computer software	2,548	28	-	(572)	-	2,004
Payables and other liabilities	1,074	2,191	-	129	(16)	3,378
Provisions and accruals	8,999	(1,101)	-	2,117	(31)	9,984
Derivative liabilities	(530)	1,052	-	-	-	522
Carry forward tax losses	2,358	91	-	3,677	(243)	5,883
Capital transaction costs	578	(462)	819	1,516	-	2,451
Share-based payments	1,272	2,250	-	-	(110)	3,412
Leases	1,164	327	-	546	(21)	2,016
Other	434	(433)	-	-	-	1
Total deferred tax assets	**22,479**	**4,324**	**819**	**7,405**	**(692)**	**34,335**
Deferred tax liabilities						
Trade and other payables	(990)	990	-	(65)	-	(65)
Computer software	(191)	(202)	-	-	16	(377)
Intangible assets	(9,074)	1,827	456	(5,324)	313	(11,802)
Other financial assets	513	(1,061)	-	(3)	-	(551)
Employee share plan	(47)	47	-	-	-	-
Total deferred tax liabilities	**(9,789)**	**1,601**	**456**	**(5,392)**	**329**	**(12,795)**

For the year ended 31 December 2021	Opening balance $'000	Charged to income $'000	Charged to OCI/equity $'000	From business combinations $'000	Exchange differences $'000	Closing balance $'000
Deferred tax assets						
Receivables and other assets	287	(77)	-	-	5	215
Plant and equipment	4,397	(842)	-	-	81	3,636
Computer software	2,004	26	-	-	-	2,030
Payables and other liabilities	3,378	1,717	-	-	(3)	5,092
Provisions and accruals	9,984	(1,663)	-	-	1	8,322
Derivative liabilities	522	(522)	-	-	-	-
Carry forward tax losses	5,883	(1,760)	-	-	(54)	4,069
Capital transaction costs	2,451	1,137	(216)	-	-	3,372
Share-based payments	3,412	(1,360)	-	-	87	2,139
Leases	2,016	693	-	-	(6)	2,703
Other	1	1	-	-	-	2
Total deferred tax assets	**34,335**	**(2,650)**	**(216)**	**-**	**111**	**31,580**
Deferred tax liabilities						
Trade and other payables	(65)	(535)	-	-	-	(600)
Computer software	(377)	(25)	-	-	(19)	(421)
Intangible assets	(11,802)	2,935	-	-	(31)	(8,898)
Other financial assets	(551)	551	-	-	-	-
Total deferred tax liabilities	**(12,795)**	**2,926**	**-**	**-**	**(50)**	**(9,919)**

(d) Unused tax losses to carry forward for which no deferred tax asset has been recognised:

	2021 $'000	2020 $'000
Hong Kong (Tax rate 16.5%, 2020: 16.5%)	131	121
France (Tax rate 26.5%, 2020: 28.0%)	75,719	73,214
Australia (Tax rate 30.0%, 2020: 30.0%)[1]	17,130	17,130
Potential tax benefit	**25,226**	**25,659**

(1) Australia tax losses transferred from OneVue into the Australian tax consolidated group.

4.2 Businesses & investments acquired & divested

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Any deferred contingent consideration is measured at fair value at the date of acquisition. If any obligation to pay contingent consideration meets the definition of a financial instrument it is classified as equity, and not remeasured, with settlement accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Acquisition of OneVue

On 6 November 2020 Iress acquired 100% of the outstanding shares of OneVue (OneVue) via a Scheme Implementation Agreement with OneVue Holdings (OVH.ASX). OneVue is an ASX listed administration platform for managed funds, superannuation and investments. The business operates through two core divisions: Fund Services and Platform Services. OneVue has scale in Fund Services managed funds administration as the largest single third-party fund registry in Australia and third in Superannuation Member Administration.

The allocation of the purchase consideration at 31 December 2020 was provisional in relation to the fair valuation of certain intangible assets, accruals and tax accounting. During the year the valuation of the intangible assets, accruals and tax accounting was completed.

The following table summarises consideration paid and payable and the fair value of net assets acquired at, and since, the date of acquisition:

	6 November 2020		
	As presented $'000	Change $'000	Restated $'000
Consideration			
Cash consideration	115,210	-	115,210
Total fair value of consideration	**115,210**	**-**	**115,210**
Assets acquired			
Cash and cash equivalents	7,122	-	7,122
Trade and other receivables	6,043	-	6,043
Intangible assets	41,444	(1,404)	40,040
Plant and equipment	292	-	292
Right-of-use assets	5,169	-	5,169
Deferred tax assets	2,939	5,046	7,985
Interest-bearing loan	(6,482)	-	(6,482)
Payables and other liabilities	(14,187)	(1,487)	(15,674)
Current taxation payables	(42)	(58)	(100)
Lease liabilities	(6,988)	-	(6,988)
Provisions	(395)	-	(395)
Deferred tax liabilities	(3,518)	(1,156)	(4,674)
Fair value of assets acquired	**31,397**	**941**	**32,338**
Goodwill recorded on acquisition	**83,813**	**(941)**	**82,872**

The adjustments to deferred tax assets and liabilities relate to the finalisation and recognition of pre-acquisition tax losses and other brought forward tax credits assessed as being claimable by the Group in the years after acquisition.

The retrospective impact of finalisation on the comparative balance sheet at 31 December 2020 is presented in Note 4.3.

4.3 Change in accounting policy

During the period the Group revised its accounting policy in relation to upfront configuration costs incurred in implementing third-party Software-as-a-Service (SaaS) arrangements, through which the Group gains access to the underlying software over a contract period but does not obtain possession of the underlying software.

The change resulted from the agenda decision issued by the IFRS Interpretation Committee (IFRIC) in April 2021 that clarified its interpretation of how current accounting standards apply to these types of arrangements.

As a result of the change in accounting policy, certain costs previously capitalised and amortised over their expected useful lives will now be expensed as the service is received.

In accordance with the requirements of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the accounting policy change is required to be applied retrospectively. Therefore, historical financial information has been restated to account for the impact of the change in accounting policy as follows:

(a) Increase in the net profit as a result of a decrease in depreciation and amortisation expense:

	For the year ended 31 December 2020			
	As presented $'000	Fair value adjustment[1] $'000	Policy change $'000	Restated $'000
Statement of Profit or Loss and Other Comprehensive Income				
Depreciation and amortisation	(39,356)	-	210	(39,146)
Taxation	(19,082)	-	(64)	(19,146)
Net impact on the profit after tax	**(58,438)**	**-**	**146**	**(58,292)**

(b) Restatement of the Statement of Financial Position in respect of prior year adjustments:

	1 January 2020			31 December 2020			
	As presented $'000	Policy change $'000	Restated $'000	As presented $'000	Fair value adjustment[1] $'000	Policy change $'000	Restated $'000
Statement of financial position							
Non-current assets							
Intangible assets	619,748	(1,730)	618,018	734,098	(2,346)	(1,520)	730,232
Net deferred tax assets and liabilities	12,691	519	13,210	17,194	3,891	455	21,540
Payables and other liabilities	-	-		(82,457)	(1,486)	-	(83,943)
Current taxation payables	-	-	-	(486)	(58)	-	(544)
Impact on net assets	**632,439**	**(1,211)**	**631,228**	**668,349**	**1**	**(1,065)**	**667,285**
Retained earnings							
Gross	6,700	(1,730)	4,970	(481)	-	(1,520)	(2,001)
Taxation	-	519	519	-	-	456	456
Impact on total equity	**6,700**	**(1,211)**	**5,489**	**(481)**	**-**	**(1,064)**	**(1,545)**

(1) Adjustment is a result of finalisation of Onevue's provisional acquisition accounting. Refer to Note 4.2.

4.4 Iress Limited – parent entity financial information

The ultimate controlling entity of the Group is Iress Limited, which is a for-profit entity listed on the Australian Securities Exchange (ASX).

(a) Summary financial information

The individual financial statements for the parent entity, Iress Limited:

	2021 $'000	2020 $'000
Current assets	284,869	168,790
Non-current assets	900,076	866,008
Total assets	**1,184,945**	**1,034,798**
Current liabilities	263,440	111,111
Non-current liabilities	289,060	188,555
Total liabilities	**552,500**	**299,666**
Net assets	**632,445**	**735,132**
Equity		
Issued capital	493,883	558,416
Reserves	26,209	35,051
Retained earnings	112,353	141,665
Total equity	**632,445**	**735,132**
Profit for the year[1]	33,412	54,422
Total comprehensive income	**33,412**	**54,422**

(1) Included within profit for the year is dividend income from subsidiaries of $51.0 million (2020: $85.0 million).

(b) Capital commitments

As at 31 December 2021, no capital expenditure has been contracted or provided for (2020: Nil).

(c) Contingencies

As at 31 December 2021, no material contingent liabilities have been contracted or provided for (2020: Nil).

4.5 Subsidiaries

Details of the Group's wholly-owned subsidiaries at the end of the year are as follows:

Australia

BC Gateways Pty Ltd
Diversa Funds Management Pty Ltd
Diversa Pty Ltd (formerly Diversa Ltd)
FUND.eXchange Pty Ltd
Financial Synergy Actuarial Pty Ltd[1]
Financial Synergy Holdings Pty Ltd[1]
Financial Synergy Pty Ltd[1]
Glykoz Pty Ltd
Group Insurance & Superannuation Concepts Pty Ltd
Innergi Pty Ltd
Investment Gateway Pty Ltd
Iress Data Pty Ltd[1]
Iress Euro Holdings Pty Ltd[1]
Iress Information Pty Ltd
Iress International Holding Pty Ltd[1]
Iress South Africa (Australia) Pty Ltd[1]
Iress Spotlight Wealth Management Solutions (RSA) Pty Ltd[1]
Iress Wealth Management Pty Ltd[1]
Lucsan Capital Pty Ltd
Map Funds Management Pty Ltd
No More Practice Education Pty Ltd
No More Practice Holdings Pty Ltd
OneVue Financial Pty Ltd
OneVue Fund Services Pty Ltd
OneVue Holdings Ltd[1][2]
OneVue Pty Ltd
OneVue Services Pty Ltd
OneVue Super Member Administration Pty Ltd
OneVue Super Services Holdings Pty Ltd
OneVue Super Services Pty Ltd
OneVue UMA Pty Ltd
OneVue Unit Registry Pty Ltd
OneVue Wealth Services Ltd
OneVue Wealth Solutions Pty Ltd
Planning Resources Group Pty Ltd[1]
Top Quartile Management Pty Ltd[1][7]
Tranzact Consulting Pty Ltd
Tranzact Financial Services Pty Ltd
Tranzact Superannuation Services Pty Ltd

Canada

Iress Canada Holdings Ltd
Iress (LP) Holdings Corp.
Iress Market Technology Canada LP
Iress (Ontario) Ltd
KTG Technologies Corp.

South Africa

Advicenet Advisory Services (Pty) Ltd
Iress Hosting (Pty) Ltd
Iress Financial Markets (Pty) Ltd
Iress MD RSA (Pty) Ltd
Iress Wealth MNGT (Pty) Ltd

United Kingdom

Iress FS Group Ltd
Iress FS Ltd
Iress Mortgage Services Ltd
O&M Systems Ltd
O&M Life & Pensions Ltd
Iress Portal Ltd
Iress Solutions Ltd
Iress Technology Ltd
Iress (UK) Ltd
Iress UK Holdings Ltd
Iress Web Ltd
Proquote Ltd
Pulse Software Systems Ltd
Pulse Software Management Ltd
QuantHouse UK Ltd
TrigoldCrystal Ltd

Other countries

BC Gateways Ltd (Hong Kong)
Iress Asia Holdings Ltd (Hong Kong)
Iress Inc (previously known as QuantHouse Inc) (USA)[4]
Iress Malaysia Holdings Sdn Bhd (Malaysia)
Iress Market Technology (Singapore) Pte Ltd (Singapore)
Iress (NZ) Ltd (New Zealand)
Iress SAS (previously known as QuantHouse SAS) (France)[5]
Iress Tunisia Branch Sàrl (previously known as QuantHouse Sàrl) (Tunisia)[6]
Peresys Software Ltd (Ireland)[3]
QH HoldCo (Luxembourg)
QuantHouse Singapore Pte Ltd (Singapore)
Waysun Technology Development Ltd (Hong Kong)

(1) Iress Limited and its Australian subsidiaries entered into an ASIC Class Order and Deed of Cross Guarantee with Iress Limited in December 2014.
(2) Joined the Iress Deed of Cross Guarantee in 2021.
(3) Entity was deregistered on 19 November 2021.
(4) Entity change of name on 25 October 2021.
(5) Entity change of name on 1 November 2021.
(6) Entity change of name on 21 December 2021.
(7) A Revocation Deed was lodged with ASIC on 20 December 2021. The entity remains a party to the Iress Deed of Cross Guarantee for 6 months after the Revocation Deed being lodged.

4.6 Deed of cross guarantee

Iress Limited and a number of Australian wholly-owned subsidiaries (outlined in Note 4.5) are party to a Deed of Cross Guarantee under which each company guarantees the debts of the others. By entering into the deed, the relevant, wholly-owned subsidiaries have been relieved from the requirement to prepare the financial report and Directors' Report under ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

(a) Consolidated Statement of Profit or Loss and retained earnings:

	2021 $'000	2020[1] $'000
Profit before tax	105,781	103,717
Income tax expense	(6,446)	(16,540)
Net profit after tax	**99,335**	**87,177**
Retained earnings at the beginning of the year	7,170	(13,776)
Dividends declared	(88,986)	(83,394)
Transfers from SBP reserve	26,262	17,163
Retained earnings at the end of the year	**43,781**	**7,170**

4.6 Deed of cross guarantee (continued)

(b) Consolidated Statement of Financial Position

	2021 $'000	2020 $'000
ASSETS		
Current assets		
Cash and cash equivalents	27,926	27,593
Receivables and other assets	34,326	28,856
Receivables from Iress Group companies outside the Deed[1]	195,167	7,975
Current taxation receivables	6,900	935
Total current assets	**264,319**	**65,359**
Non-current assets		
Intangible assets	121,499	112,359
Plant and equipment	16,441	15,311
Right-of-use assets	40,654	26,913
Deferred tax assets	21,166	17,761
Investment in subsidiaries	449,502	548,579
Other financial assets	173,917	165,465
Total non-current assets	**823,179**	**886,388**
Total assets	**1,087,498**	**951,747**
LIABILITIES		
Current liabilities		
Payables and other liabilities	35,357	28,285
Lease liabilities	9,001	5,512
Provisions	13,115	4,777
Total current liabilities	**57,473**	**38,574**
Non-current liabilities		
Payables and other liabilities	50,848	50,846
Lease liabilities	37,228	25,443
Provisions	2,644	42,833
Payables to Iress Group companies outside the Deed	77,785	5,321
Borrowings	296,530	188,433
Deferred tax liabilities	-	121
Total non-current liabilities	**465,035**	**312,997**
Total liabilities	**522,508**	**351,571**
Net assets	**564,990**	**600,176**
EQUITY		
Issued capital	493,883	558,416
Share-based payments reserve	26,178	35,020
Foreign currency translation reserve	1,148	(430)
Retained earnings	43,781	7,170
Total equity	**564,990**	**600,176**

(1) OneVue Holdings Ltd joined the Iress Deed of Cross Guarantee in 2021 resulting in an increase in related party receivables.

4.7 Basis of preparation

Iress Limited (the 'Company') is a for-profit company domiciled in Australia. The full year financial report is a general purpose financial report comprising the Company and its subsidiaries (collectively referred to as the 'Group' or 'Iress') for the year ended 31 December 2021. The full year financial statements:

- have been prepared in accordance with the *Corporations Act 2001 (Cth)*, Australian Accounting Standards and Interpretations, and International Financial Reporting Standards (IFRS)
- were authorised for issue by the Directors on 16 February 2022
- have been prepared on a historical cost basis, except for derivative financial instruments and investments in financial assets which have been measured at fair value
- have all amounts presented in Australian dollars, unless otherwise stated
- have amounts rounded off to the nearest thousand dollars, unless otherwise stated, as allowed under ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 dated 24 March 2016 (ASIC guidance).

(a) Adoption of new standards

In the current period, the Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods commencing on or after 1 January 2021 including the following:

• AASB 2020-8 Amendments to Australian Accounting Standards	• *Interest rate benchmark reform – Phase 2*
• AASB 2021-4 Amendments to Australian Accounting Standards	• *COVID-19 related rent concessions*

None of these standards have had a material impact on the Group in the current period and are not expected to have a material impact in future reporting periods or on foreseeable future transactions.

(b) Standards on issue but not yet effective

At the date of authorisation of the financial statements, the following new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not yet been applied by the Company within this financial report:

• AASB 17 *Insurance contracts*	• *Measurement of insurance liabilities*(2)
• AASB 2014-10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates* (amendments)	• *Sale or contribution of assets between an investor and its associate or joint venture*(1)
• AASB 2020-1 Amendments to Australian Accounting Standards	• *Classification of liabilities as current or non-current*(2)
• AASB 2021-2 Amendments to Australian Accounting Standards	• *Disclosure of Accounting Policies and Definition of Accounting Estimates*(2)
• AASB 2020-3 Amendments to Australian Accounting Standards	• *Annual Improvements 2018-2020 and Other Amendments*(2)

(1) Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

(2) Effective for annual periods beginning on or after 1 January 2023.

Iress does not believe these new accounting standards, amendments, and interpretations will have a material impact on the financial statements of the Group in future periods.

4.7 Basis of preparation (continued)

(c) Summary of general accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

(i) Consolidation

The consolidated financial statements include the financial statements of the Company, and the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

An entity is controlled when Iress is exposed to, or has rights to, variable returns from involvement with the entity and has the ability to affect those returns through power over the entity.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

In reporting the consolidated financial statements, all intercompany balances and transactions, and unrealised profits or losses within the Group are eliminated in full.

(ii) Foreign currency translation

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at the reporting date.

Exchange differences are recognised in profit or loss in the period in which they arise except that exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation are recognised in the foreign currency translation reserve in the consolidated financial statements and are recognised in profit or loss on disposal of the net investment.

Foreign operations

Assets and liabilities of foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Any exchange differences are recognised in equity. On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

(iii) Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

When the transaction price differs from fair value at initial recognition, the Group will account for such difference if:

- fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised as a gain or loss on initial recognition (ie day 1 profit or loss)
- (in all other cases), the fair value will be adjusted to bring it in line with the transaction price (ie day-1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss such that it reaches a value of zero at the time when the entire contract can be valued using active market quotes or verifiable objective market information.

Depending on the type of financial instrument, the Group can adopt one of the following policies for the amortisation of day 1 gain or loss:

- Calibrate unobservable inputs to the transaction price and recognise the deferred gain or loss as the best estimates of those unobservable inputs change based on observable information.
- Release the day-1 gain or loss in a reasonable fashion based on the facts and circumstances (ie using either straight-line or non-linear amortisation).

Financial assets

The Company's financial assets include cash and cash equivalents, derivatives, listed shares and trade and other receivables.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions and are subsequently measured at amortised cost include:

- the financial asset is held within a business model whose objective is to collect contractual cash flows
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired.

Impairment of financial assets

The Group performs impairment assessment under the expected credit losses model on financial assets (including trade and other receivables, receivables from related parties and bank balances) which are subject to impairment under AASB 9 *Financial Instruments*. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition. Refer to Note 2.4(b) on the Group's approach to the credit loss allowance.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or, when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and on-demand deposits, and other short-term highly liquid investments, readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share capital represents the nominal value of equity shares issued. Share premium represents the excess over nominal value of the fair value of the consideration received for equity shares, net of direct issue costs.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the fair value of proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the statement of comprehensive income using the effective interest rate method. They are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

(d) Accounting judgement in relation to the presentation of the Mortgages business

During 2021, as a result of a strategic review, Iress informed the market that it was considering a sale of the Mortgages business.

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, Iress conducted an assessment of whether the Mortgages business should be presented as an Asset Held for Sale in the financial statements for the years ended 31 December 2021. As a result of that assessment, Iress has concluded that the potential sale of the Mortgages was not highly probable at 31 December 2021 and, therefore, the Mortgages business is not presented as Held for Sale in these financial statements.

(e) Significant sources of estimation uncertainty

The following assets and liabilities recognised in the Consolidated Statement of Financial Position as at 31 December 2021 are subject to estimates made about future performance and as such require significant judgement:

(i) Goodwill

Significant judgement is required in the assumptions used in the value-in-use models used in impairment testing. Refer to Note 2.1 for more detailed information.

(ii) Credit Loss Allowance

Significant judgement is required in the assumptions made in calculating the Group's credit loss allowance included within trade and other receivables. Refer to Note 2.4 for more detailed information.

4.8 The impact of the COVID-19 pandemic on these financial statements

Since the onset of the global pandemic in March 2020, Iress has taken a number of steps in response to managing the impact of COVID-19 for the welfare of our people and for business continuity. Iress' key focus during this time has been the health and wellbeing of its people, ensuring they have been able to work safely and effectively on a remote basis as required, while continuing to provide service continuity for clients and users.

Members of the Iress leadership team, including the CEO, together with specialists from within the business, continue to meet regularly to ensure the right measures are in place. Where offices are open again, our teams have been returning on an optional basis. In locations where offices are closed, our teams are working well remotely.

Employees who return to offices in select locations do so in line with government, health & safety, landlord and internal guidelines. We are not requiring vaccinations for our people as a condition of employment or for entry to our offices (unless there are government, landlord or client requirements). However, we continue to closely follow the advice of governments and health authorities in each of our locations.

Iress has been able to continuously operate and support all services. We have not experienced any serious negative impact on operations or productivity as a result of this global pandemic. We are satisfied that our teams, including business-critical teams, can continue to operate remotely for an extended period of time if required.

Our data centres are deliberately located in different and independent locations consistent with prudent failover strategies. Following assessment, we are confident these services are not materially at risk at present from coronavirus-related issues. We are also not aware of any change to our supply chain that has or will have a material impact on our clients and users. Regular updates regarding business continuity are published on Iress' website.

Iress operates a software subscription model, with most of its revenue recurring in nature. Iress has a history of strong cash conversion and low debtor defaults. These features of Iress' commercial model have continued throughout the pandemic.

The majority of client implementation projects have continued since the onset of the pandemic, notwithstanding a short period of adjustment in 2020.

The Group is exposed to the broader economic uncertainty evident in all of Iress' markets as a result of COVID-19 and the impact of Government public health responses including lockdowns.

At the date of this report, due to the resilience of Iress' business, Iress has not been eligible, nor applied for, significant Government COVID-19 related support. The exception being a deferral of certain VAT payments offered to all companies in the UK during 2020 and the deferral of payroll tax in the state of New South Wales, Australia during 2020 and 2021. Iress settled the deferred 2020 payroll tax payments during the second half of 2020, the UK VAT liabilities during the first half of 2021 and the deferred 2021 payroll tax payments in January 2022.

4.9 Transactions with related parties

There are no shareholders with substantial holdings that materially transacted with the Group during the year.

4.10 Events subsequent to the Statement of Financial Position date

On 16 February 2022, the Directors declared a final dividend of 30.0 cents per share franked to 15% totalling $58.0 million.

Other than the declaration of the final dividend, and the items noted above, there has been no other matter nor circumstance which has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years.

Directors' Declaration

31 December 2021

In the Directors' opinion:

(a) the financial statements and notes set out on pages 60 to 106 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial year ended on that date

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 4.5 will be able to meet any obligations or liabilities to which they are, or may become subject by virtue of the deed of cross guarantees described in Note 4.6.

Note 4.7 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Roger Sharp

Chair

Andrew Walsh

Managing Director &
Chief Executive Officer

Melbourne

16 February 2022

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Australia

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Independent Auditor's Report
to the members of Iress Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Iress Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>

Carrying value of goodwill in the UK Mortgages business

Refer to Note 2.1 - Impairment assessment.

As at 31 December 2021, the Group's goodwill totalled $621.5 million which is allocated to the relevant Cash Generating Units (CGUs). Goodwill is required to be assessed for impairment on an annual basis or when any indicators of impairment exist.

The UK Mortgages CGU was identified as having a heightened risk of impairment due to its dependency on securing new contracts in order to achieve forecast revenue growth rates. Included within the UK Mortgages CGU at 31 December 2021 is goodwill of $82.0 million.

The Group has prepared a value in use model to determine the recoverable amount of the UK Mortgages CGU.

During the current year, Iress engaged advisors to market the UK Mortgages business for potential divestment. As at 31 December 2021, this process remained in progress, with initial non-binding offers received in January 2022.

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Our procedures included but were not limited to:

- Obtaining an understanding of the key controls associated with the preparation of the value in use models and critically evaluating management's methodologies.

With the assistance of our valuation specialists, we:

- Assessed key assumptions, including forecast growth rates by comparing them to economic and industry growth rates
- Challenged the forecasted revenue for the UK Mortgages CGU with reference to:
  - the historical accuracy of forecasting of the Group
  - evaluation of current pipeline and historical pipeline conversion rate
- Evaluated the discount rate used for the UK Mortgages CGU against comparable organisations
- Agreed the cash flow forecast to the latest Board approved four year financial plan for the UK Mortgages CGU
- Tested the mathematical accuracy of the value in use models
- Assessed the net present value of the UK Mortgages CGU in local currency against its to the carrying value in local currency.

We performed a sensitivity analysis to stress test the key assumptions used in the value in use model, including revenue growth, terminal growth rates and discount rate used.

Our procedures in relation to the potential divestment of the UK Mortgages CGU included:

- Obtaining an understanding of the status of the sale process as at 31 December 2021, and then subsequently to date of the financial report.
- Reviewing non-binding indicative offers received, including offer value and the basis on which the offers were provided.
- Assessing if the non-binding indicative offers support the carrying value of the UK Mortgages CGU.

We also assessed the appropriateness of the disclosures included in Note 2.1 to the financial statements.

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Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

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disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 30 to 58 of the Directors' Report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Iress Limited, for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tom Imbesi

Tom Imbesi
Partner
Chartered Accountants
Melbourne 16 February 2022

Shareholder Information

The below shareholder information was applicable as at 31 December 2021.

(a) Distribution of members and their holdings:

	Number of shareholders	Number of shares	% of issued capital
1 to 1,000	5,970	2,320,771	1.22
1,001 to 5,000	3,485	8,213,741	4.33
5,001 to 10,000	632	4,550,498	2.40
10,001 to 100,000	404	8,777,690	4.63
100,001 and over	50	165,765,656	87.42
Total	**10,541**	**189,628,356**	**100.00**

(b) Substantial shareholders:

	Number held	%
MITSUBISHI UFJ FINANCIAL GROUP	13,549,386	7.15
GREENCAPE CAPITAL PTY LTD	13,109,447	6.91
DALTON NICOL REID PORTFOLIO MANAGERS	9,634,257	5.08
Total substantial shareholders	**36,293,090**	**19.14**
Balance of register	153,335,266	80.86
Total	**189,628,356**	**100.00**

(c) 20 largest shareholders of quoted equity securities

Rank	Name	Number held	% of issued shares
1	GREENCAPE CAPITAL (MELBOURNE)	13,109,447	6.91
2	FIRST SENTIER INVESTORS – AUSTRALIAN SMALL COMPANIES (SYDNEY)	10,620,168	5.60
3	DNR CAPITAL (BRISBANE)	9,634,257	5.08
4	SELECTOR FUNDS MGT (SYDNEY)	9,049,430	4.77
5	AUSTRALIAN FOUNDATION INVESTMENT CO (MELBOURNE)	8,211,205	4.33
6	STATE STREET GLOBAL ADVISORS (SYDNEY)	6,045,829	3.19
7	VANGUARD GROUP (PHILADELPHIA)	6,016,246	3.17
8	BLACKROCK INVESTMENT MGT – INDEX (SAN FRANCISCO)	5,970,507	3.15
9	IRE EQUITY PLANS TRUST (MELBOURNE)	5,515,900	2.91
10	SCHRODER INVESTMENT MGT (SYDNEY)	4,966,406	2.62
11	HYPERION ASSET MGT (BRISBANE)	3,929,996	2.07
12	DIMENSIONAL FUND ADVISORS (SYDNEY)	3,835,889	2.02
13	SPHERIA ASSET MGT (SYDNEY)	3,469,315	1.83
14	ELLERSTON CAPITAL (SYDNEY)	3,431,310	1.81
15	VANGUARD INVESTMENTS AUSTRALIA (MELBOURNE)	3,346,563	1.76
16	NORGES BANK INVESTMENT MGT (OSLO)	2,999,607	1.58
17	CELESTE FUNDS MGT (SYDNEY)	2,849,232	1.50
18	NAMU HOLDINGS (SINGAPORE)	2,766,420	1.46
19	ELEY GRIFFITHS GROUP (SYDNEY)	2,506,564	1.32
20	BLACKROCK INVESTMENT MGT (AUSTRALIA) – INDEX (SYDNEY)	2,397,481	1.26
Total top-20 shareholders		**110,671,772**	**58.36**
Balance of register		78,956,584	41.64
Total		**189,628,356**	**100.00**

Corporate Directory

Directors	A D'Aloisio[2]	Chair since August 2014, Independent Non-Executive Director since June 2012 and final term as Chair and Director ended at the AGM in May 2021
	R Sharp[1]	Chair since May 2021 and Independent Non-Executive Director since February 2021
	A Walsh	Managing Director and Chief Executive Officer since October 2009
	N Beattie	Independent Non-Executive Director since February 2015
	J Cameron	Independent Non-Executive Director since March 2010
	M Dwyer	Independent Non-Executive Director since February 2020
	J Fahey	Independent Non-Executive Director since October 2017 and Chair of the People & Performance Committee since February 2020
	J Hayes[2]	Independent Non-Executive Director since June 2011 and final term as Director ended at the AGM in May 2021
	G Tomlinson[2]	Independent Non-Executive Director since February 2015 and final term as Director ended at the AGM in May 2021
	T Vonhoff	Independent Non-Executive Director since February 2020 and Chair of the Audit & Risk Committee since May 2021
Company Secretary	P Ferguson	
Registered Office	Level 16, 385 Bourke Street Melbourne VIC 3000 Phone: +61 3 9018 5800 Fax: +61 3 9018 5844	
Share Registry	Computershare Investor Services Pty Ltd 452 Johnston Street Abbotsford VIC 3067 www.computershare.com	
Stock Exchange Listing	Iress Limited shares are quoted on the Australian Securities Exchange under the code: IRE	
Auditor	Deloitte Touche Tohmatsu	

(1) Appointed as Independent Non-Executive Director on 18 February 2021 and Chair on 6 May 2021.

(2) Retired on 6 May 2021.

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