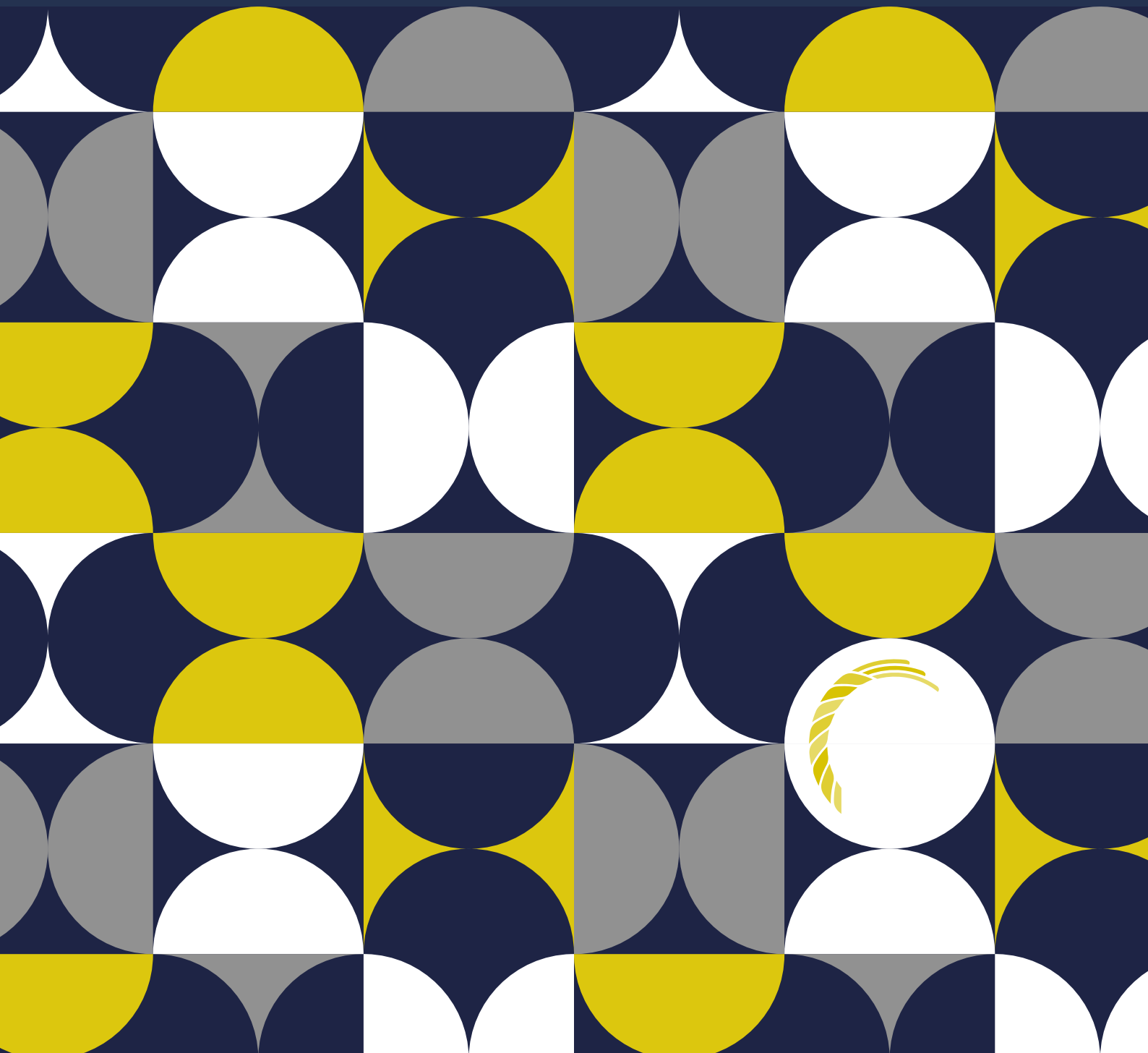


FOR THE YEAR ENDED 31 MARCH 2025



# Annual Report and Accounts





# Definitions

<b>Company</b> or <b>DSW Capital</b> or <b>DSW</b>	DSW Capital plc, registered as a public company in England and Wales, with registered number: 07200401
<b>DR Solicitors</b>	DR Solicitors Limited, registered as a limited company in England and Wales, with registered number: 06122637
<b>Group</b> or <b>DSW Group</b>	The Company and its Subsidiaries, DSW Services LLP (Registered number: OC397251), DSW Operations Limited (Registered number: 14425970) & DR Solicitors Limited (Registered number: 06122637)
<b>Network</b> or <b>DSW Network</b>	The Group and its licensees

# OUR VISION

**DSW Capital PLC's** vision is to empower pioneers to build and grow their own businesses.

## DSW Network KPIs



**£25.8m**

Network Revenue<sup>1</sup>  
(FY24: £16.0m)



**27.1%**

YoY growth in Fee  
Earners  
(FY24: 10.3%)



**12.2%**

3-year Network  
Revenue CAGR  
(FY24: 1.4%)



**£214k**

Revenue per  
Fee Earner  
(FY24: £153k)



**136**

Fee Earners  
(FY24: 107)



**5.2 FEs**

per business  
(FY24: 4.3 FEs)



**26**

Network Members  
(FY24: 25)

## Market Recognition

**15th**

Most active financial  
adviser in the UK in 2024<sup>2</sup>  
(2023: 19th)

**10th**

Most active financial  
adviser in the Midlands in  
2024<sup>2</sup> (2023: 13th)

**9th**

Most active financial  
adviser in Yorkshire &  
Humber in 2024<sup>2</sup> (2023:  
10th)



Winner of two Deal of the  
Year Awards during 2024

**6th**

Fastest growing legal  
platform firm in sub-30 fee  
earner category in 2024<sup>3</sup>



Surpassed 500 deals  
comprising £10bn since  
inception

**33**

Award Nominations in  
2024



Winner of Changemaker  
of the Year (Northwest  
Rainmaker Awards)



Winner of Emerging  
Dealmaker of the Year  
(Wales Dealmaker Awards)

<sup>1</sup> Network Revenue is revenue generated by the DSW licensees and DR Solicitors | <sup>2</sup> <https://www.experian.co.uk/content/dam/marketing/uki/uk/en/pdf/MarketIQ-Report-FY-2024.pdf> | <sup>3</sup> Platform Firms Report 2025 by Codex Edge

## DSW Capital KPIs



**£5.0m**

Total income\*  
↑ 104% YoY increase



**£1.8m**

DSW Capital Adjusted  
EBITDA\*\*  
↑ 186% YoY increase



**£10.0m**

Net Assets  
(FY24: £7.6m)



**£2.0m**

Cash Generated from  
Operations  
(FY24: £0.1m)



**£2.7m**

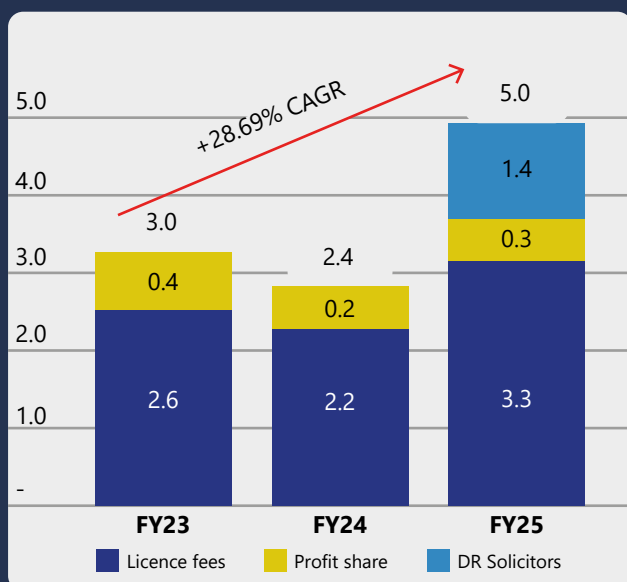
Cash  
(FY24: £2.6m)



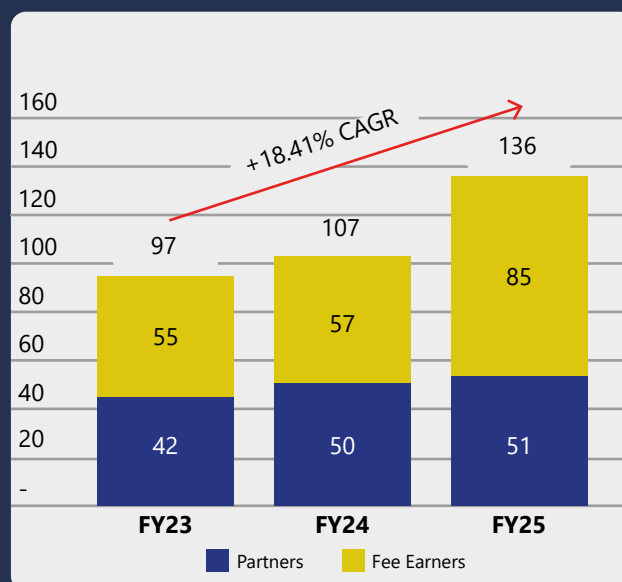
**£1.3m**

Profit before tax  
(FY24: £0.2m)

## Total Income (£m)



## No. of Fee Earners



Note: Profit share is calculated using profit share figure as stated in Revenue (Note 4) plus Share of results of Associates.

\* Total income represents statutory revenue from DSW licensees and DR Solicitors plus share of results of associates.

\*\* Adjusted EBITDA is defined as Operating Profit adjusted to add back depreciation, amortisation, acquisition costs and share-based payment expense.

# CONTENTS

## Strategic Report

DSW at a Glance	1
Business Review	7
Our Markets	14
Chair's Statement	18
Chief Executive Officer's Review	21
Chief Finance & Operating Officer's Review	24
Section 172 Companies Act Statement	28
Environmental, Social and Governance (ESG)	30
Risk Management	35

## Corporate Governance

The Board of Directors	39
Corporate Governance Statement	41
Audit & Risk Committee Report	45
Remuneration & Nominations Committee Report	47
Directors' Report	50
Statement of Directors' Responsibilities	55

## Financial Statements

Independent Auditor's Report	56
Consolidated Statement of Comprehensive Income	64
Consolidated Statement of Financial Position	65
Company Statement of Financial Position	67
Consolidated Statement of Changes in Equity	69
Company Statement of Changes in Equity	70
Consolidated Cash Flow Statement	71
Company Cash Flow Statement	72
Notes to the Financial Statements	73

### Empowering pioneers

Pioneers make things happen. They take risks, innovate and create wealth – reimagining and reshaping the world around us. We exist to empower pioneers, creating the conditions for ambitious professionals to thrive.

### Built for ambitious professionals

We have built a platform for ambitious professionals across all aspects of professional services. We enable them to build the business they have always wanted, combining freedom and autonomy with infrastructure and an industry-leading brand.

### A track record for empowering pioneers

We have been empowering pioneers since 2002. We were pioneers ourselves, creating a platform model that disrupted our industry and gave individuals the freedom and autonomy to flourish.

### Businesses run by entrepreneurs for entrepreneurs

We are a business advisory group made up of ambitious, agile individuals. Each one is entrepreneurial, driven and motivated, allowing us to match the pace, ambition and mindset of the owner managers we are proud to support.

# DSW AT A GLANCE

## Our Vision

DSW Capital PLC's vision is to empower pioneers to build and grow their own businesses. Our mission is to create a leading business advisory group run by entrepreneurs, for entrepreneurs.

## Our Purpose

Our purpose is to empower our people to reach their potential and develop sustainable businesses which best serve the needs of their clients and local communities.

## Our FY25 Highlights

### *Financial highlights*

- Network Revenue increased by 62% to a record £25.8m (FY24: £16.0m), ahead of market expectations set at the start of the financial year
- Acquisition of DR Solicitors for a total consideration of £6.3m, satisfied by £4.5m in cash and £1.8m of new ordinary shares, bringing a highly scalable, cash-generative, and profitable legal platform to the Group
- Adjusted basic earnings per share more than doubled at 5.0p (FY24: 2.0p)
- Average Revenue per Fee Earner in the Year was £214k (FY24: £153k)
- Record activity across the Group drove strong cash generation, with over £2.0m cash generated from operations (FY24: £0.1m cash generated from operations)
- Balance sheet remains healthy, with cash balances of £2.7m at 31 March 2025 and net debt of £0.3m (FY24: £2.6m net cash), after a full drawdown of a new £3.0m Revolving Credit Facility in November 2024 to part fund the acquisition of DR Solicitors
- Proposed final dividend of 2.0p (FY24: 0.75p), taking the total dividend for the year to 3.0p (FY24: 2.0p)

### *Operational highlights*

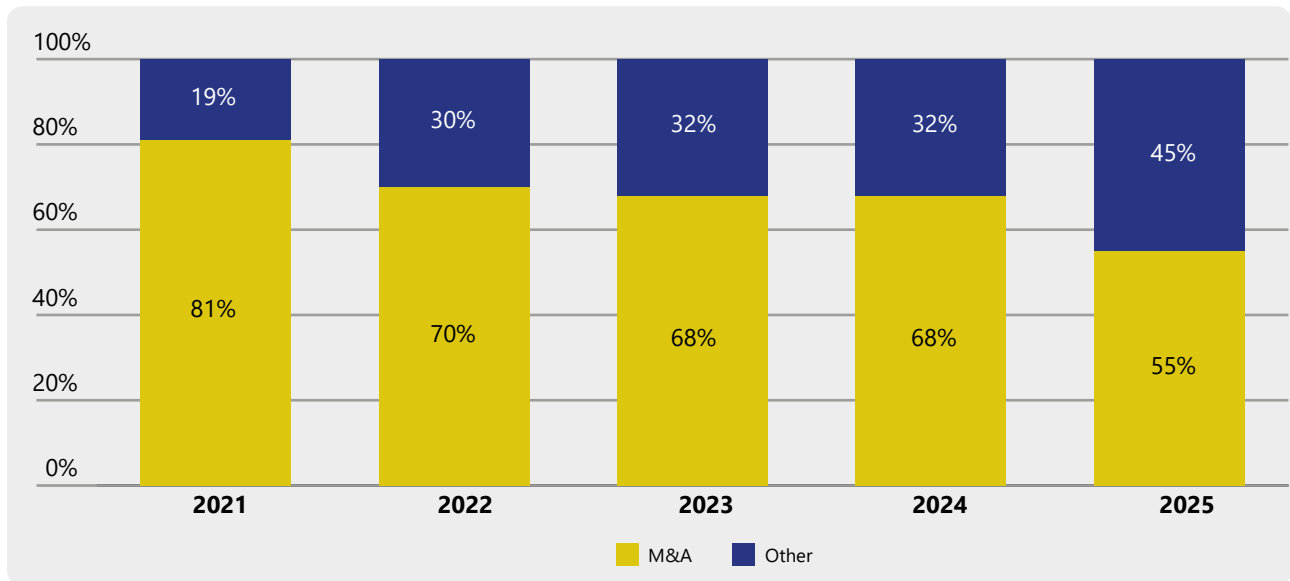
- Exceptional levels of M&A activity generated c.£3.0m of supernormal Network Revenue in October 2024, with M&A activity levels returning to more normal levels post the Autumn Budget through to the year end
- Number of Fee Earners increased by 27% to 136 (FY24: 107), driven by the acquisition of DR Solicitors, which brought 20 heads to the Group, and a further nine Fee Earners joined existing licensees
- Integration of DR Solicitors, acquired in November 2024, on track with the business performing well in the year, contributing £0.5m to FY25 Adjusted EBITDA
- Diversification strategy furthered via acquisition of DR Solicitors: dependency on M&A reduced significantly to 55% of Total Income (FY24: 68%)
- Transition to our new Executive Board and promotion of Shru Morris as Chief Executive Officer and Pete Fendall as Chief Finance and Operating Officer, with James continuing to play a key role as Executive Director
- Mobilisation of our tech enablement strategy, integrating digital tools including AI & Automation to support our teams and enhance client delivery

### *Current trading and outlook*

- Trading in the early weeks of the new financial year has been encouraging with the Network reporting normal levels of M&A activity levels in Q1 FY26
- DR Solicitors continues to perform in line with the Board's expectations, with a growing pipeline of opportunities to scale the platform of which the Group is actively exploring a number of options
- Group's dependency on M&A expected to reduce to around a third in FY26 following a full year's contribution from DR Solicitors
- While mindful of ongoing global macro-economic uncertainty, the Group is currently trading in line with expectations and the Board remains confident in the prospects for the business in FY26 and its strategy to build shareholder value over the long term

## DSW AT A GLANCE

### M&A Weighting as % of Revenue



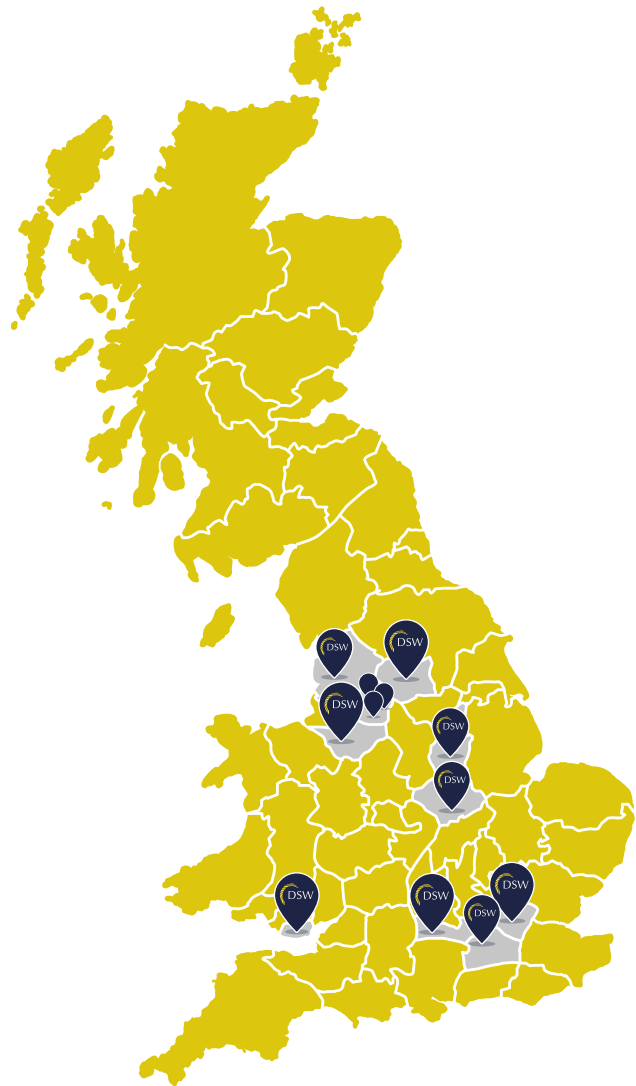


## DSW AT A GLANCE

### Our People

As at 31 March 2025, we had 136 Fee Earners, 26 network members and 12 offices across the UK. Our network of professionals provide expert advice across 11 service lines, working with their clients to create, protect and realise value.

- Corporate Finance
- Transaction Services
- Business Recovery
- Debt Advisory
- Tax Advisory
- Equity Finance
- Venture Capital
- Business Planning
- Asset Based Lending Risk Management
- Legal Services
- Fractional Support



#### Start

##### *Start-up with confidence.*

We provide funding that enables ambitious professionals to get up and running while minimising the risk, with complete back-office support to give them the best possible start.

#### Scale

##### *Realise ambitions*

We're there to empower teams and individuals as they scale, from driving platform referrals to helping them attract and retain the best talent - alongside continual guidance and counsel.

#### Succession

##### *Realise value*

We support established firms in realising value and exiting on their own terms. Whether you're looking to sell, step back, or plan for succession, we offer bespoke, flexible solutions tailored to your business goals, helping you transition with confidence and control.

DSW's culture and our ability to nurture talent is one of our key strengths. We develop our top talent without stringent evaluations in place, empowering our businesses and individuals to achieve their goals at their pace. We have invested in a number of key initiatives to foster a talent development culture, including our Future Leaders Programme, our mentoring scheme and business coaches for our businesses.

DSW AT A GLANCE

Our Strategy

In the current year, we have undertaken a comprehensive refresh of our corporate strategy to align with our evolving vision and the opportunities presented by recent developments, most notably the acquisition of DR Solicitors. This strategic evolution reflects our commitment to building more resilient, diversified, and scalable platforms for growth.

At the heart of our refreshed strategy is our vision: to empower pioneers to build and grow their own businesses. Our mission remains clear and compelling: to create a leading business advisory group run by entrepreneurs, for entrepreneurs. These principles guide every decision we make and every initiative we pursue.

Our strategic priorities are focused on attracting high-quality fee earners, deepening client relationships, and expanding our reach across both the financial and legal services. The acquisition of DR Solicitors has been a transformative milestone, providing a robust legal platform from which we can scale our service offering and attract new talent. This marks a significant step forward in our ambition to become a more integrated advisory group.

In FY26, our primary focus is to strengthen our brand proposition among professionals in the financial services sector while also reaching new audiences within the legal sector. To support this, we have introduced a new strategic framework built around four core pillars.

Strengthening Our Brand

Enhancing visibility, credibility, and appeal across our target markets.

Optimising our Platform

Leveraging technology and operational excellence to support scalable growth.

Unlocking Potential

Empowering our people and licensees to innovate, grow, and lead.

Accelerating Growth

Driving expansion through talent acquisition and service line diversification.

These pillars will be explored in detail below, outlining how each contributes to our long-term ambition of becoming the advisory group of choice for entrepreneurial professionals.

Strengthening our Brand

Our brand is the foundation of our identity and a critical driver of growth. As we evolve, we are focused on positioning DSW as the leading destination for ambitious entrepreneurs; a place where professionals with vision and drive can thrive.

With the integration of DR Solicitors, we are now uniquely placed to offer a compelling proposition in the legal sector. DSW is the legal platform for lawyers who want to build a business, providing the infrastructure, support, and entrepreneurial culture needed to succeed independently.

We are also committed to building brand loyalty, not only to retain top talent and clients but also to enhance our profile with investors. A strong, trusted brand will help us attract the right people, deepen relationships, and reinforce our reputation as a forward-thinking advisory group.

Optimising our Platform

In FY25, we advanced our strategy of platform optimisation, focusing on building a stronger, more efficient foundation to support our growth ambitions.

A major focus this year was advancing our tech enablement agenda, integrating digital tools to support our teams and enhance client delivery. The implementation of an automated anti-money laundering software is a key example of how we are using technology to improve compliance, reduce friction, and elevate the client experience. We have also worked with our partners to carry out risk management, and marketing workshops to embed best practice processes and behaviours, whilst helping them to win work through increased market recognition.

Operational excellence remains a cornerstone of our strategy. We are focused on delivering a premium client experience defined by speed, quality, and consistency, differentiating us from competitors and reinforcing our value proposition. Our legal platform, in particular, is being optimised to support growth through improved systems, processes, and service delivery.

## DSW AT A GLANCE

Looking ahead, we will enhance our "plug-in-and-play" platform creating modular, scalable infrastructure designed to streamline onboarding and enable seamless collaboration across service lines. This will further strengthen our ability to integrate new businesses quickly and efficiently, supporting our long-term growth ambitions.

As AI technology evolves, we continue to review, test, and adopt AI-based applications. Our investment in emerging technologies will remain a priority, ensuring we stay ahead of the curve and continue to drive performance, efficiency, and profitability across the business.

### **Unlocking Potential**

Unlocking the full potential of our people and licensee businesses is central to our long-term success. This year, we continued to invest in initiatives that foster a high-performance culture, encourage collaboration, and support sustainable growth.

A key priority has always been to foster a culture of collaboration and cross-referrals across our network. By encouraging greater connectivity between teams and service lines, we amplify work generation and create more opportunities for shared success. This collaborative mindset is also helping to ignite growth in high-potential teams and service lines, ensuring that emerging talent and capabilities are fully supported.

We believe that investing and helping to scale existing teams is one of our top priorities – we want to help build successful businesses within DSW and help teams create, protect and realise value for them and their clients.

### **Accelerating Growth**

Our strategy for growth is focused on scaling the DSW model through targeted expansion, talent acquisition, and diversification into complementary service lines. We are actively working to accelerate recruitment across both core and new service lines, ensuring we bring in high-calibre talent that aligns with our culture and strategic goals. At the same time, we are seeking to attract new investors who share our vision and can support the next phase of transformational growth.

Our Board's strategy is to scale the business through a combination of organic growth in new fee earners and licensees, strategic partnerships, and acquisition of businesses offering high-margin, niche service lines. We maintain a well-established acquisition target database focused on identifying complementary, high-growth businesses with strong synergies across the DSW Network.

Looking forward, we believe the growth in fee earners within the legal sector and helping lawyers to build teams will help to not only scale our business but better leverage client relationships across the Network.

## DSW AT A GLANCE

## Why Invest?

### AIM Listed

Our AIM listing in 2021 created a powerful ‘halo effect’ that has driven sustained growth in our fee earner base — from 82 to 136, representing a three-year CAGR of 15.6%. Beyond capital, the listing has enhanced our brand, strengthened governance, and positioned us to attract top talent and execute our strategic ambitions with confidence.

### Highly cash generative

Our platform model is highly cash generative, reflecting the capital-light nature of our business and the strength of our network. In FY25, the Group generated £2.0m in cash from operations, reinforcing our ability to self-fund growth and maintain financial flexibility. This consistent cash generation is a core strength of our model, enabling disciplined reinvestment while supporting shareholder returns.

### Market leading

Our Partners are recognised for their market-leading expertise. DSW has consistently ranked among the UK’s Top 20 Most Active Financial Advisers for the past five years, with a particularly strong presence in the North-West, Midlands, and Yorkshire, where we frequently appear in the Top 10<sup>1</sup>. DR Solicitors, now part of the Group, brings a highly regarded brand in the healthcare legal sector and was ranked the 6th fastest-growing legal platform in the sub-30 fee earner category in 2024.<sup>2</sup>

### Diverse income streams

The diversity of our licensee businesses means income derived from M&A activity is complemented by other counter-cyclical services. Our strategy focuses on attracting high-margin, complementary, and niche service lines — a model that enhances both the resilience and breadth of the Group. This is exemplified by the acquisition of DR Solicitors, which has materially reduced our reliance on M&A-related income to 55% of Network Revenue in FY25 (FY24: 68%), with a further reduction expected in FY26 following a full year’s contribution.

### Scalable business model

We have multiple avenues for scaling the business, each aligned to our platform strategy: attracting new licensees, expanding existing teams and the consultant pool within DR Solicitors, collaborating with complementary businesses, traditional acquisitions, and acquiring licence fee income. This multi-channel approach enables the Group to drive organic growth, deepen its service offering, and diversify income streams through strategic acquisition and partnership.

### Strong balance sheet

DSW continues to maintain a strong balance sheet and secured a £3m revolving credit facility, which provided additional capital to acquire DR Solicitors. With cash of £2.7m and overall net debt of £0.3m, we still have capital to deploy which enables us to pursue both organic expansion and strategic acquisitions of high-quality individuals and teams as opportunities arise.

### Strongly positioned

Global economic disruption may create a more challenging M&A market in the year ahead, but we are committed to turning those challenges into opportunities in recruitment, which slowed in FY25 due to the abnormally high activity levels. The Group remains well positioned to continue growing its Network and to capitalise on future M&A opportunities.

### Dividend Yield

DSW has delivered a dividend yield between 3.9% and 5.9% to shareholders since IPO. The final proposed dividend for FY25 of 2p takes the total paid to shareholders since IPO to 12.98p.

<sup>1</sup> (<https://www.experian.co.uk/content/dam/marketing/uki/uk/en/pdf/MarketIQ-Report-FY-2024.pdf>)

<sup>2</sup> Platform Firms Report 2025 by Codex Edge

# BUSINESS REVIEW

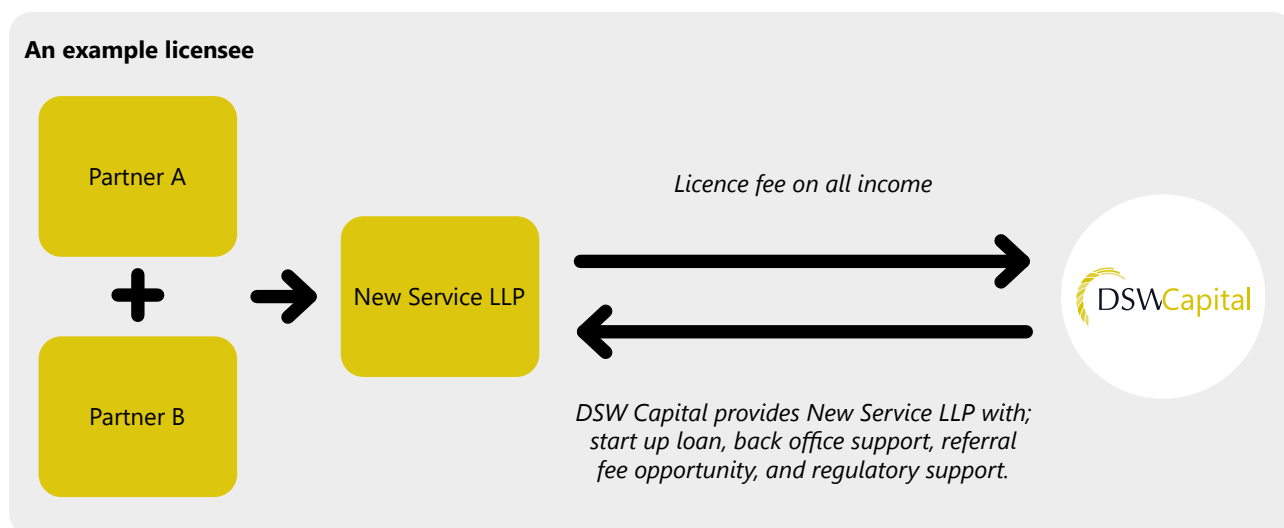
## DSW

DSW Capital plc, owner of the Dow Schofield Watts and DR Solicitors brands, is a profitable, fast growing, mid-market, challenger business advisory group with a cash generative business model and scalable platform for growth.

## Our Model - Empowering Professionals

DSW is one of the first platform models to disrupt the traditional model of professional services firms. At 31 March 2025, the Network included 26 network members and 136 Fee Earners ("FEs"), across twelve offices in England. These trade primarily under the Dow Schofield Watts and DR Solicitors brands.

First conceived in 2008, the DSW licence model allows ambitious professionals to use the DSW and DR Solicitors brands. We provide professionals with start-up funding and can take care of all aspects associated with the running of the "office" including IT, compliance guidance, accounting, marketing, recruitment, people development support and banking. This model enables our partners to hit the ground running and focus on growing their respective businesses, maximising their profit capabilities and building a legacy. In return, DSW receives a percentage of the licensee's revenue, and in some cases a percentage of the licensee's profits. Licensees are responsible for collecting their own cash from clients to fund partner drawings and pay employees, which drives strong cash collections across the Group.



## Our Consultant Model

### Offering a 'plug in and play' solution for ambitious lawyers

DR Solicitors is one of the first businesses to develop a consultant based operating model and embrace alternative business structures. DR Solicitors operates an alternative fee sharing model in which they engage and win clients directly and subcontract the work to consultants. Consultant professionals are empowered to deliver quality legal work and retain a percentage of revenue generated. As at 31 March 2025, DR Solicitors had 21 fee earners.



## Central Initiatives

Our purpose is 'to empower our people to reach their potential and develop sustainable businesses which best serve the needs of their clients and local communities'. In order to do this, we need to continually challenge ourselves to be the best that we can be, to enable our partners and their teams to be the best that they can be.

In the past year we have propelled the business forward, significantly enhancing and bolstering the strengths of our unique model and the value we bring to both existing and prospective licensees through the implementation of a number of initiatives.

Our efforts this year have been centred around our Strategic Pillars;

### Strengthening our Brand

- Invested in our marketing strategy with the appointment of a new corporate PR agency, MC2, resulting in significantly increased press coverage and visibility for our brands.
- Increased external visibility through sponsorships, panels, and roundtables, while also hosting our own well-attended events bringing together entrepreneurs, clients, referrers and like-minded professionals.
- Our volunteer-led ESG Committee continues to champion initiatives aligned with our people's priorities, actively engaging with local communities and driving meaningful impact across key focus areas.

**BUSINESS REVIEW****Optimising the Platform:**

- Rolled out automated anti-money laundering software and access to market leading software to streamline compliance and empower licensees with tools that enhance efficiency and client service.
- Delivered Technology & Transformation workshops alongside digital platform enhancements - to equip Partners with tools and insights that drive innovation, operational efficiency, and elevated client experiences.
- Provided enhanced compliance support ahead of ICAEW Practice Assurance Onsite Reviews, sharing key findings across the Network to strengthen operational readiness and partner confidence.

**Unlocking Potential**

- Expanded our cross-service line mentoring programme, now engaging 45% of Employees and Partners, to support individual growth and foster deeper inter-team collaboration.
- Launched new cross-service line forums and hosted our annual DSW Group Conference for Partners and Employees to drive knowledge sharing, cross-selling, and stronger client outcomes.
- Increased internal communications and resource sharing, including the launch of the DSW Intranet, to unlock collective expertise and deliver more connected, client-focused service.

**Accelerating Growth:**

- Strengthened our recruitment function through the implementation of new technologies and processes to improve our candidate experience and maximise the value from our Partner candidate database.
- Invested in independent business coaching and mentoring to support Partners in realising their growth ambitions and set them up for success.
- Completed the acquisition and integration of DR Solicitors, working closely with management to align operations, unlock synergies and optimise for future growth and market penetration.

## The benefits of a licence model to DSW

### To DSW Capital

#### High quality and diverse income streams

Our platform is underpinned by our high-quality revenue-based licence fee model, which limits our exposure to licensee profitability and now also an established client base of over 5,000 healthcare professionals and practices who provide recurring sources of income.

Our focus on diversifying the business since IPO has significantly reduced our exposure to the volatile M&A market. In FY25, 45% of revenue was generated from non-M&A activity (up from 32% in FY24), and this is expected to increase further in FY26 following a full-year contribution from DR Solicitors.

#### Limited exposure to fixed costs

Property and employee costs, the two biggest drivers of operational gearing in the professional services sector, are borne by the licensees. At the year end, the central office function employed just nineteen people excluding Directors, bolstered by the acquisition of DR Solicitors.

#### Back-office infrastructure allows partners to focus on winning and executing client work

The provision of IT and back-office support is a big attraction for many professionals. The administration burden of running your own business is performed by our central team allowing professionals to focus on excellent client service and building their own business, which maximises revenue potential. Furthermore, the greater central support provided, the less likely partners are to leave.

### To Licensees

#### Start up funding

We offer a range of flexible funding options for new joiners, each tailored to meet their specific needs. We will typically provide the initial capital required to cover recruitment fees, start-up costs, drawings and working capital for a period of twelve months.

The security of an initial fixed level of income whilst the business is established de-risks the proposition from the candidate's perspective and allows us to attract a younger, ambitious demographic earlier in their career. Furthermore, this proposition is viewed more favorably versus the substantial loans required when entering partnerships at larger firms.

#### Raised profile as part of a well-established brand

Joining as a licensee automatically carries a certain level of credibility and recognition in the market. Not only does this help our partners bring in new work, but it also helps them win higher-quality work, benefiting both the licensees and DSW Capital. In turn this translates into the ability to command higher billing rates. Our partners also find it easier to recruit higher quality professionals into their teams by being part of a larger brand and network.

#### Hit the ground running

When new businesses/professionals join, all the back-office functions and regulatory guidance are provided, including all recruitment, people development, marketing, IT, compliance, accounting and banking services, allowing our partners to focus purely on billing and winning work.

### To consultants

#### No expectation to generate your own work

DR Solicitors takes the lead in securing high quality work from a strong client base of over 5,000 healthcare professionals and practices. Consultants are not expected to generate their own leads but instead focus on delivering high-quality service.

This model allows consultants to seamlessly 'plug in and play' - concentrating on execution while benefiting from the firm's established reputation and an established sales engine.

#### Raised profile as part of a well-established brand

DR Solicitors is widely recognised as a specialist in its niche market, with an unrivalled brand and reputation. Joining the firm means becoming part of a uniquely supportive and intellectually rewarding network, offering rich opportunities for collaboration, shared learning, and professional growth.

#### Reduced regulatory and administrative burden

When consultants join DR Solicitors, they are not responsible for billing, compliance or administrative functions, allowing consultants to focus on what they do best without the regulatory burden or admin overheads associated with other consultancy models.

This creates an extremely efficient environment for consultants, optimising the amount of time they spend on revenue generating activities.



## The benefits of a licence model to DSW

### To DSW Capital

Our licence model appeals to the more ambitious entrepreneurial professionals; pioneers who drive their own profitability. If they want to do well, they need to bring in the work. This helps sustain good levels of billings, without the need for billing targets as there is a clear link between revenue and remuneration for our partners.

#### Flexibility and autonomy appeal to a wide pool of professionals

Autonomy and flexibility are at the heart of our model. This often proves to be an attractive proposition to many who are used to the restraints of working for bigger firms where they are required to meet specified targets, have constraints on their ability to recruit and reward their teams, and are often subject to glass ceilings. This allows us to attract, recruit and retain high quality partners.

The agility of the model also enables our partners to respond and adapt to macro-economic pressures, often leading to increased resilience.

#### Capital light and cash generative

None of the start-up investments have required capital greater than £0.5m and the average payback period is two years. The model drives strong cash conversion as the working capital requirement is borne by the licensee businesses and partners are only paid when their invoices are paid.

**£2.7m** of Network Revenue generated through cross-referrals in FY25 (FY24: £1.0m)

### To Licensees

This creates an extremely efficient environment for professionals, optimising the amount of time they spend on revenue generating activities.

#### Greater autonomy and flexibility

Our partners have complete autonomy over their businesses and are free to run it as they choose, directly benefiting when their efforts translate into results.

Our partners are free to make their own business decisions, whether that be what they charge their clients, how much they pay their employees or who they recruit to join their teams. They may also choose where to work, whether that be at one of our existing regional offices or another location of their choice.

#### Cross-referrals from the DSW network and strategic partners

Due to the broad range of specialist and complimentary expertise offered by our partners, there is a significant opportunity for referral of work between one another in return for a referral fee. During FY25, over £2.7m of Network Revenue was generated through cross-referrals and fee-sharing arrangements, representing 10.5% of total Network Revenue (FY24: 6.6%).

Providing opportunities for Fee Earners to network with one another is important to facilitate cross-referrals. We host regular service line forums, networking events, an annual group conference and various social events throughout the year.

### To consultants

#### Greater autonomy and flexibility

Consultants have complete autonomy over their hours and their place of work, allowing for a better work-life balance and the ability to structure their day around personal commitments. Consultants enjoy greater independence in managing their caseloads and client relationships, without the constraints of firm-wide billing targets.

#### Increased Earnings Potential

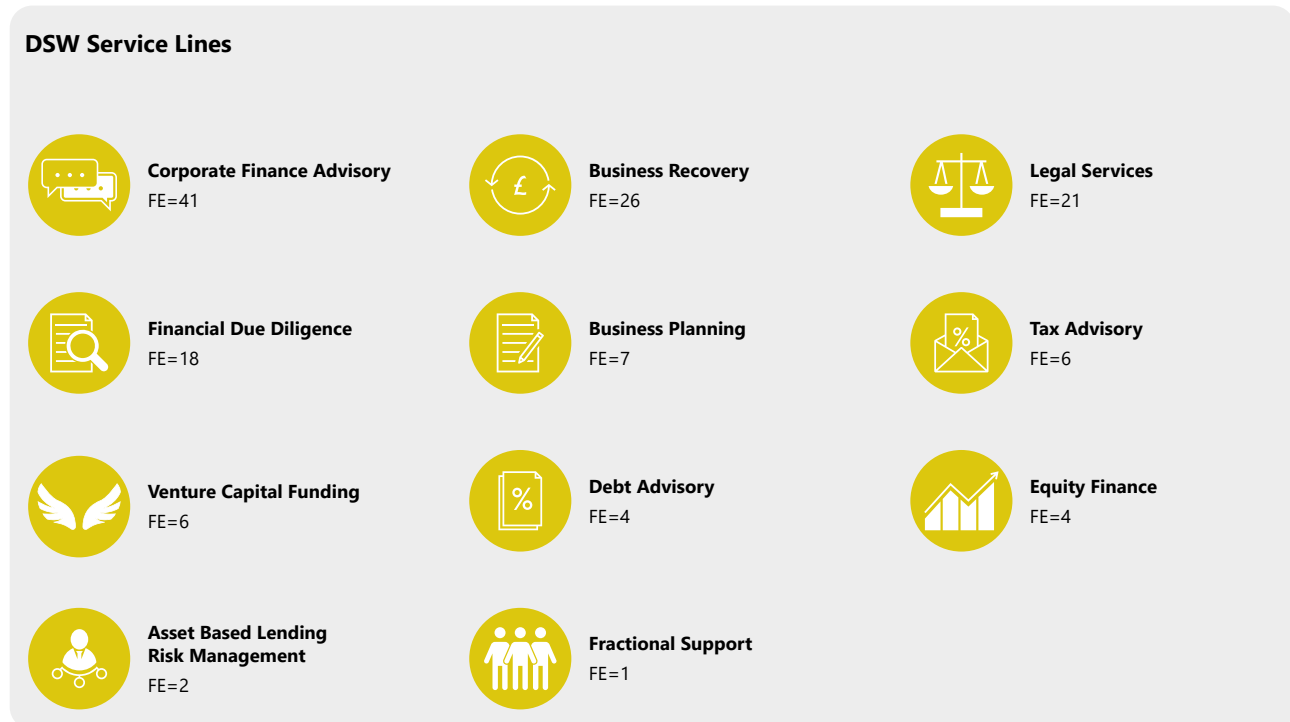
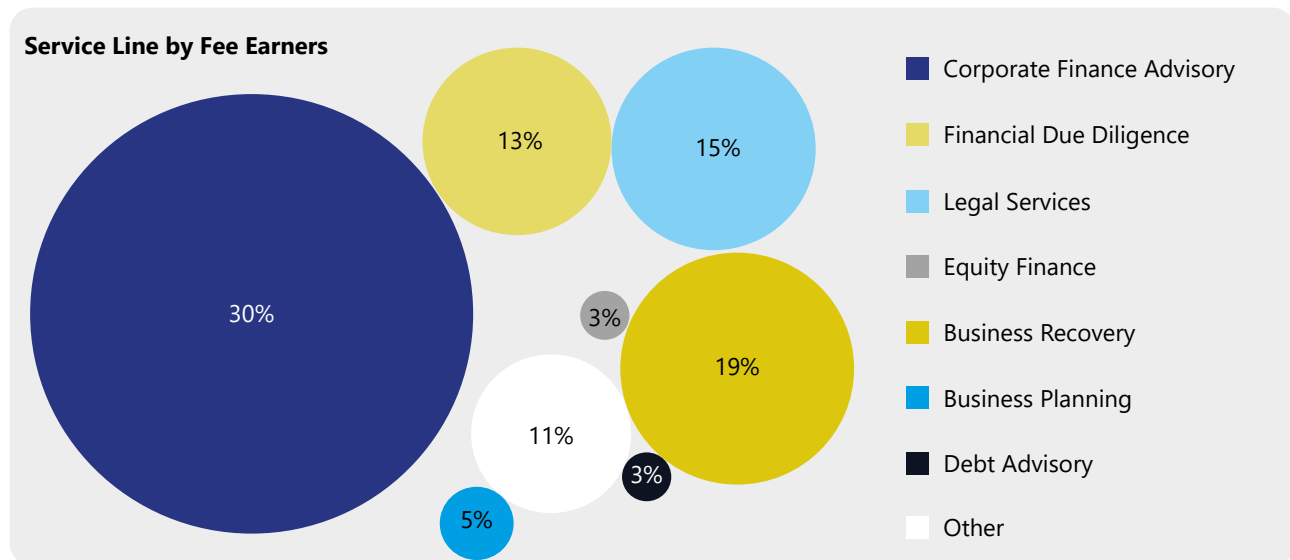
Many consultant solicitors report significantly higher earnings compared to traditional salaried roles, as they retain a larger share of the fees they generate.

At DR Solicitors, consultants receive a share of the personal billings without having to wait for clients to pay, which is a significant advantage to our model when compared to other platform models.

**10.5%** of Network Revenue generated through cross-referrals in FY25 (FY24: 6.6%)

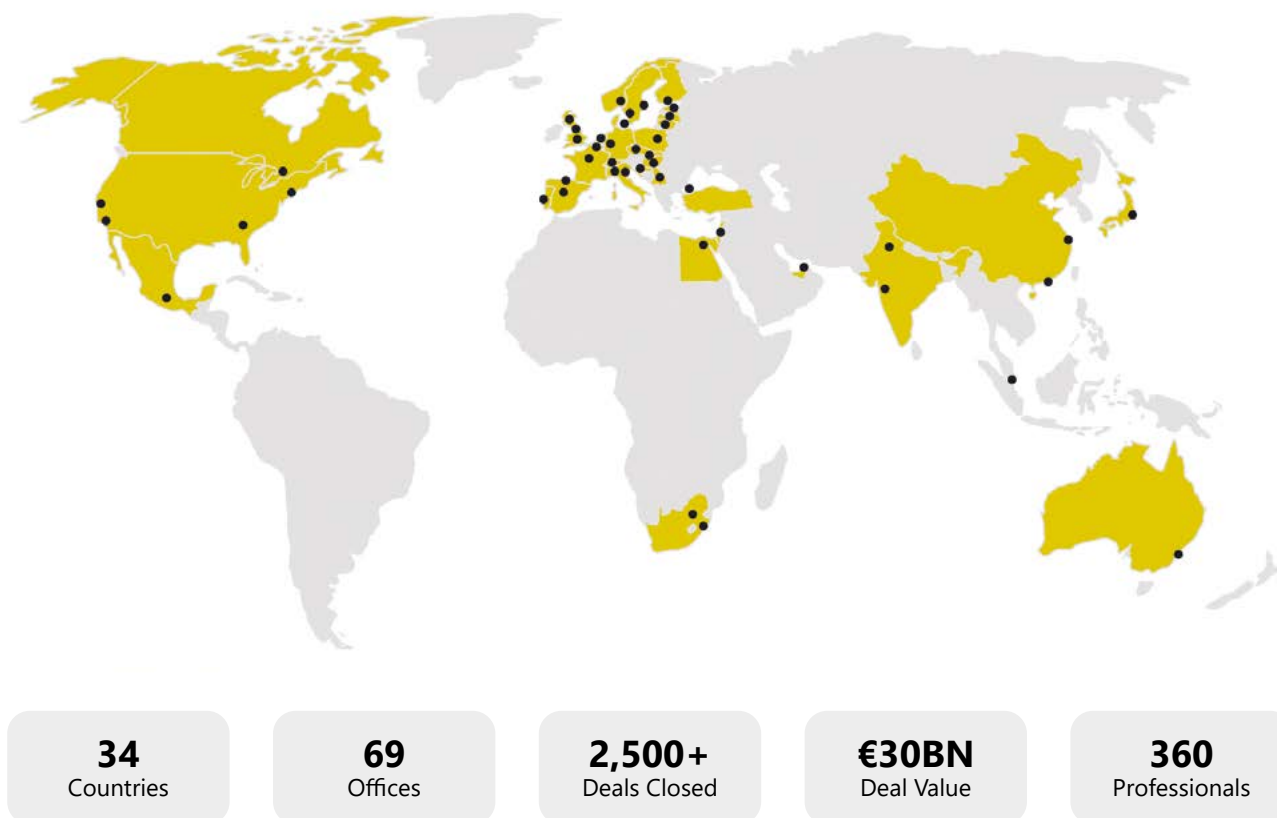
## Our Network

At 31 March 2025, the Group had 136 Fee Earners ('FEs'), and 26 network members, with an average of 5.2 FEs per business. These businesses cover 11 service lines offering niche high margin complementary services to our clients.



## Global reach through a partnership network of advisory firms

Whilst the UK is our primary market, we have established a partnership network of global advisory firms referred to as “Pandea Global M&A”. Pandea Global M&A is a global network of selected independent firms dedicated to facilitating and executing cross-border mergers and acquisitions. Typically, this will be focused on transaction values between €5m and €500m. The network of 37 members, which is considered the thirteenth-largest international M&A advisor network, is comprised of 360 dealmaking professionals in 69 offices across 34 countries. It gives our partners enhanced access to overseas buyers, investors and local knowledge while allowing our UK-based clients access to an enhanced pool of acquisition targets and advisors to support overseas expansion. In 2024, the Pandea Global M&A Network completed 251 inter-member deals, up from 224 in 2023<sup>3</sup>. We view the network as another potential growth avenue and source of new business for DSW Capital.



<sup>3</sup> Mergermarket & Pandea firm submissions

# OUR MARKETS

## Overview of the Financial, Professional and Business Services Sector

The UK's Financial, Professional and Business Services (FPBS) sector remained a vital engine of economic activity during the financial year 2024–2025, contributing significantly to GDP and employment. The sector continued to support over 2.4 million jobs across the UK, with financial services alone employing approximately 1.1 million people and related professional services—including accountancy, legal, and consultancy—employing a further 1.4 million.<sup>4</sup>

Despite macroeconomic headwinds—including persistent inflation, interest rate uncertainty, and geopolitical tensions, confidence within the sector remained high. According to recent industry insights, 89% of UK financial services firms rated their performance over the past year as “good” or “very good,”<sup>5</sup> with an equal proportion expressing confidence in their outlook for the coming year. This sentiment was echoed within DSW, where we experienced exceptionally strong levels of M&A activity and completions ahead of the Autumn Budget on 30 October 2024. Additionally, the regulatory complexity and economic uncertainty have driven increased demand for high-quality advisory services, particularly in corporate finance and restructuring.

A particularly notable development was the increased entry of private equity (PE) firms into the professional services space. This trend is reshaping the competitive landscape, as PE-backed firms pursue aggressive growth strategies, invest in technology, and offer alternative career paths for professionals. While this has introduced new competitive pressures, it has also created opportunities for DSW Capital.

Investment in technology underlines the need for DSW to remain competitive by also embracing digital service innovations and expanding our service lines. During the year, DSW has launched a Technology & Transformation workshop series, working with each service line to discuss how technology is disrupting their service and what are the opportunities for growth. This has already resulted in some immediate progress including rolling out new software to automate and enhance our client onboarding processes.

The influx of private equity into the sector has prompted some professionals to seek alternative platforms that preserve independence and client-centric values. DSW's flexible, partner-led model, continues to appeal to professionals seeking autonomy and entrepreneurial freedom, and the private equity interest in the sector is resulting in an increased pipeline of high calibre candidates, as equity partner opportunities diminish.

DSW's ability to remain nimble and responsive has allowed us to capitalise on market disruption, attracting both clients and professionals disillusioned with more rigid or commercially driven models.

## Overview of the Legal sector

The legal sector is also evolving, with the rise of platform firms offering flexible, consultant-led models that challenge traditional law firm structures. According to the Platform Firms Report 2025<sup>6</sup>, these firms are gaining traction by offering lawyers greater autonomy, supported by centralised business services and a focus on niche specialisms.

DR Solicitors exemplifies this innovation with its unique ‘delivery-only’ model, which has driven notable growth in 2024. Unlike many platform firms, DR Solicitors does not require its consultants to generate their own work. Instead, the firm provides high-quality projects and full operational support, allowing lawyers to focus solely on legal delivery. This model, combined with DR's exclusive focus on the health and care sector, has enabled the firm to attract top-tier legal talent.

Private equity firms are increasingly targeting the legal sector, attracted by its consistent revenue streams and the opportunity to consolidate a highly fragmented market. This momentum has been accelerated by the introduction of Alternative Business Structures (ABSs) in the UK, which permit external investment in law firms. PE investors are leveraging this model to drive growth through technological innovation, strategic expansion, and operational efficiencies. In contrast, this evolving landscape presents a unique opportunity for DSW to attract ambitious professionals who may be disillusioned with PE-backed firms that restrict equity partnership in favour of salaried or hybrid roles to maintain investor control.

<sup>4</sup> Key facts about UK-based financial and related professional services 2024 | TheCityUK

<sup>5</sup> Davies Research Report - Final - PRINT.pdf

<sup>6</sup> Platform Firms Report 2025 by Codex Edge

## OUR MARKETS

The growing integration of technology into daily life has raised client expectations for faster, more affordable legal services, putting pricing pressure on law firms. While AI is still emerging, its advancement is accelerating this shift, pushing firms to either innovate and differentiate their offerings or compete primarily on price. To stay competitive, firms must invest in technology while also differentiating through niche expertise. Those that balance innovation with specialized knowledge will be best positioned to meet evolving client demands.

## Overview of the Primary Care sector

DR Solicitors is a leading legal advisor dedicated exclusively to the primary care sector, with a particular focus on GP practices and Primary Care Networks (PCNs). Primary care is the cornerstone of the UK's National Health Service (NHS), providing the first point of contact for patients. It includes services delivered by general practitioners (GPs), community pharmacists, dentists, and optometrists. Over the past decade, the sector has undergone significant transformation, particularly with the introduction of PCNs in 2019. These networks aim to foster collaboration among GP practices and other healthcare providers to deliver more integrated, community-based care.

The UK healthcare landscape continues to evolve amid significant government investment and reform. In 2025, the government reaffirmed its commitment to revitalising the NHS through a record £29 billion annual funding increase by 2028-29, with a strong emphasis on primary care. This includes the largest uplift in GP funding in years and the recruitment of over 1,500 new GPs, reflecting a strategic pivot toward community-based care and early intervention.

Amid rising patient demand, workforce shortages, and increasing regulatory complexity, primary care providers are turning to specialist legal advisors to help them navigate evolving partnership models, governance structures, and compliance obligations. DR Solicitors has carved out a niche as a trusted partner for healthcare professionals navigating the legal and regulatory complexities of modern primary care.

As the primary care sector continues to evolve, DR Solicitors stands out as a forward-thinking, specialist firm, positioned to support both clients and lawyers in navigating the future of healthcare law.

## Market Dynamics

There are a number of themes and trends in the professional services and legal sectors which we believe present some exciting opportunities for DSW with its differentiated proposition in a rapidly evolving market.

### Regional Focus and Mid-Market Opportunity

One of the most notable trends is the growing demand for high-quality advisory services outside of London and the traditional dominance of the Big Four. DSW's commitment to the UK regions, and the underserved mid-market, positions the Group to capitalise on this shift. Clients are increasingly seeking personalised, partner-led services from professionals who understand their local markets—something our Network is uniquely structured to deliver.

### Private Equity Influence and the Push for Flexibility

The influence of private equity in the professional services sector is also reshaping the landscape. While PE investment has driven growth in some firms, it has also introduced rigid structures and performance pressures that can limit flexibility and autonomy. This has created a "push factor" for experienced professionals seeking greater control over their careers—an opportunity that DSW and DR Solicitors are well-placed to capture through our agile model, empowering the next generation of pioneers in the sector.

### The Rise of Legal Consultancy

In the legal sector, we are seeing a growing trend of lawyers transitioning into consultancy roles. This reflects a broader shift toward more entrepreneurial career paths and a desire for greater work-life balance. DR Solicitors' specialist focus and flexible structure make it an attractive platform for legal professionals looking to operate with independence while benefiting from the support of a well-established brand.

## OUR MARKETS

## Geopolitical Uncertainty and Advisory Demand

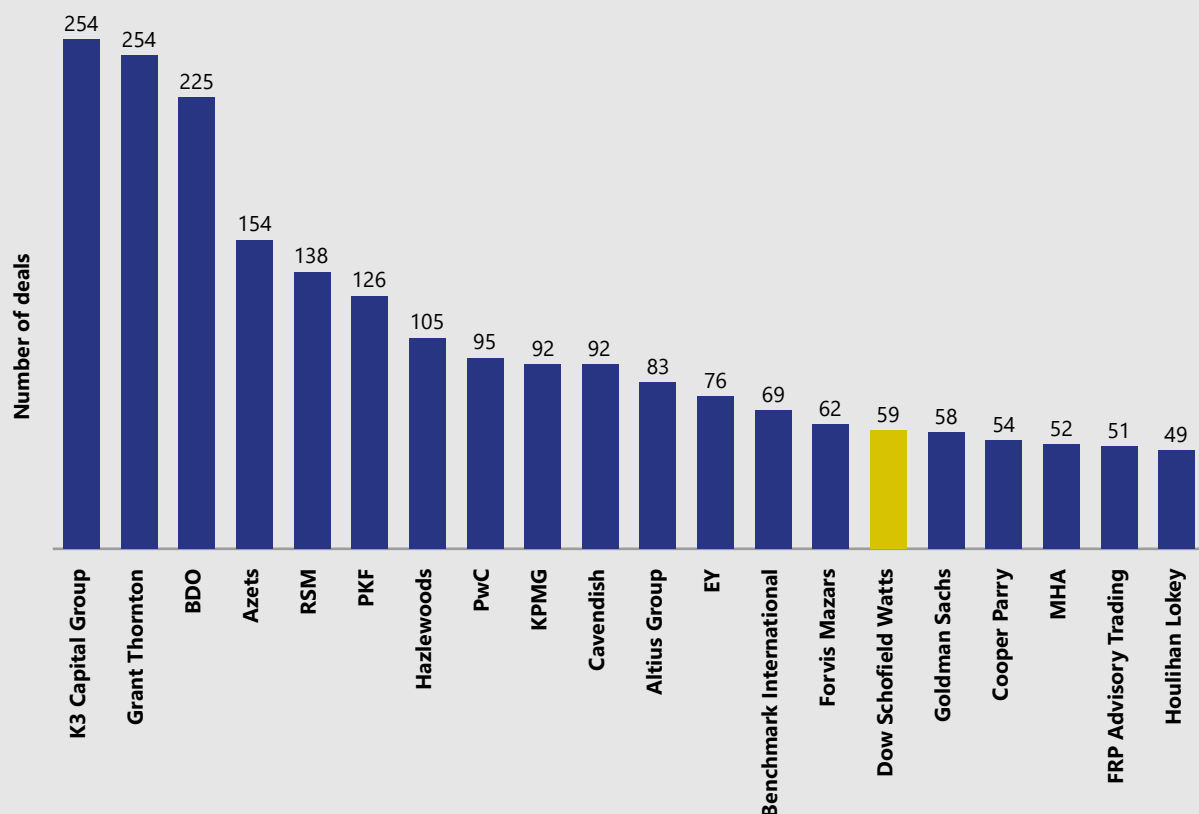
Geopolitical uncertainty, including the introduction of new tariffs and trade barriers, is also driving demand for strategic advisory services. Businesses are increasingly turning to trusted advisers to help them navigate complex regulatory environments and mitigate risk. This presents a clear growth opportunity for both DSW and DR Solicitors, whose partners are well-positioned to provide tailored, commercially focused advice.

## Females under-represented at senior levels

We take pride in our ability to attract female partners, with 20% of our current partners being female, across all our service lines. M&A typically has lower female representation; however we have created a model with true flexibility, agility and autonomy which we believe creates an environment to appeal to a diverse range of candidates and we believe that we have an opportunity to lead the field in this respect.

We are immensely proud of the initiatives launched by our ESG Committee, and specifically our Diversity & Inclusion leads who continue to highlight and champion the fundamental benefits of the DSW model that empowers talented females to fulfil their potential in a traditionally male dominated profession. We recently held a hugely successful Female Pioneers Business Brunch, which included insightful discussions from female leaders who continue to drive their businesses forward.

Experian financial adviser ranking in 2024 (UK)



## OUR MARKETS

**Competitors***DSW*

The management team considers DSW's primary competitors to be the "Big Four" and other mid-tier accounting firms. DSW's market position continues to strengthen across the UK, supported by our regional focus and flexible model. We are proud to have been recognised as the 15<sup>th</sup> most active financial adviser in the UK, reflecting our growing national presence. Regionally, we ranked 10<sup>th</sup> in the Midlands and 9<sup>th</sup> in Yorkshire and Humber,<sup>7</sup> demonstrating the effectiveness of our strategy and the strength of our Network in key markets.

Whilst the firms recognised by Experian operate in the same markets and target the same talent pools, we do not necessarily consider these firms to be direct competitors given the uniqueness of DSW's model. We summarise what we consider to be DSW's main competitive advantages as follows:

- Greater autonomy.
- No billing targets.
- No fixed charge-out rates.
- Access to a wide network of professionals without the responsibilities associated with larger firms.

*DR Solicitors*

DR Solicitors operates in a niche area of law and considers its competition to be well established healthcare-focused firms such as Capsticks, Hempsons, and VVV Solicitors, all of whom have built strong reputations in the sector. In addition, boutique and specialist firms are gaining ground due to their agility and deep sector expertise, particularly in healthcare, regulatory, and public sector law.

The legal landscape is further being transformed by emerging platform models that challenge traditional firm structures. According to the Platform Firms Report 2025<sup>8</sup>, these models are attracting legal talent by offering greater autonomy, centralised business support, and a focus on niche specialisms. DR Solicitors stands out in this space with its innovative 'delivery-only' model, which contributed to significant growth in 2024. Unlike many platform firms, DR Solicitors does not require its consultants to source their own work. Instead, it provides high-quality legal projects and comprehensive operational support, enabling lawyers to concentrate solely on legal delivery.

DR Solicitors is well-positioned in a shifting legal market by combining sector expertise with a progressive business model that aligns with the evolving expectations of both clients and legal professionals.

<sup>7</sup> <https://www.experian.co.uk/content/dam/marketing/uki/uk/en/pdf/MarketIQ-Report-FY-2024.pdf>

<sup>8</sup> Platform Firms Report 2025 by Codex Edge

# CHAIR'S STATEMENT



*I am pleased to present DSW Capital's results for the year ended 31 March 2025. On behalf of the Board, I would like to begin by expressing my sincere thanks to all colleagues across the business for their unwavering commitment and support throughout the year, a year marked by significant strategic progress and strong financial performance. In particular, I would like to thank James Dow, who stepped down as CEO at the year-end - his tenure culminating in the delivery of this record performance for the Group.*

Following the transformative, earnings-enhancing acquisition of DR Solicitors and exceptional levels of 'Beat the Budget' M&A activity, Network Revenue increased by 61.8% to a record £25.8m (FY24: £16.0m), exceeding expectations set at the beginning of the financial year by 30%.

It was great to see the considerable efforts of our colleagues recognised in Experian's list of the Most Active UK Corporate Finance Advisers by Number of Deals 2024. The DSW Network rose four places to 15<sup>th</sup> in the rankings (2023: 19<sup>th</sup>), our highest achievement to date.

Central investments in marketing, technology, and infrastructure continue to strengthen our platform and support long-term, sustainable growth. With a strong balance sheet and robust capital base, DSW Capital remains well-positioned to grow both organically and through the strategic acquisition of talented individuals and teams as opportunities arise.

## Long-term vision and strategy

At DSW Capital, our long-term vision is clear: to empower pioneers to build and grow their own businesses, and to become the leading business advisory group run by entrepreneurs, for entrepreneurs. This vision underpins every strategic decision we make and is the foundation of our refreshed strategy, which was introduced in April 2025 to reflect the evolving needs of our network and the opportunities ahead.

Our mission is to create a resilient, diversified group of high-performing licensee businesses, supported by a scalable platform and a strong, entrepreneurial culture. The acquisition of DR Solicitors was a pivotal step in this journey, providing a robust legal platform from which we can expand our service offering, attract new talent, and deepen client relationships.

Looking ahead, we will continue to invest in our people, technology, and infrastructure to support the long-term success of our licensees. We are focused on expanding into adjacent advisory sectors, accelerating recruitment across both our core and emerging service lines.

With a strong balance sheet, a clear strategic roadmap, and a growing network of ambitious professionals, we are confident in our ability to deliver long-term value for shareholders, clients, and colleagues alike.

## New Additions to the Network

A major milestone in FY25 was the acquisition of DR Solicitors, a transformative addition to the DSW Network and a key enabler of our long-term strategic ambitions. The business added a highly respected legal platform into the Group, significantly enhancing our service offering and positioning DSW as a compelling destination for entrepreneurial legal professionals.

The acquisition marked a step-change in our diversification strategy, allowing us to expand into the legal sector with a proven, high-quality team that shares our values and growth mindset. DR Solicitors provides a scalable foundation from which we can grow our legal capabilities and attract professionals seeking an alternative to traditional law firm models.

This exciting and transformative acquisition unlocks a plethora of opportunity for the Group and we are focused on building on this momentum to further diversify and strengthen the DSW Network.



## CHAIR'S STATEMENT

**People and Diversity**

Our colleagues remain central to everything we do and achieve. Creating a positive, dynamic culture that is attractive to talent and enables our people to thrive continues to be the top priority for the Board. We are proud of the entrepreneurial spirit that defines the DSW Network and are committed to fostering an environment in which individuals feel empowered, supported, and valued.

Diversity is at the core of DSW's model and a cornerstone of our ESG strategy. We firmly believe that a broad range of perspectives enhances innovation, decision-making, and long-term success. Our commitment to diversity extends beyond gender to include ethnicity, sexual orientation, gender identity, social mobility, disability, and other factors that may lead to disadvantage in other environments.

As our Network grows, we will continue to ensure that DSW is a place in which all professionals, regardless of background, can succeed. This commitment to inclusion is embedded in our culture and will continue to guide how we welcome new individuals and businesses into the Group.

**Technology**

Technology continues to play a vital role in enabling the DSW model and supporting the success of our licensees. We are committed to investing in the right technologies to protect our licensees and their clients, while keeping pace with the rapidly evolving IT landscape. These investments are designed to embed efficiencies, enhance service quality, protect our licensees, and deliver greater value across the Network.

With this ongoing investment, our licensees are empowered to fully embrace the flexibility and autonomy that define the DSW model, choosing how and where their teams work to maintain a strong work-life balance and foster greater collaboration.

During the year, we continued to invest in an additional senior IT resource to help implement our IT strategy and provide expert, industry-leading advice to the Board. Our key focus areas include continued investment in cybersecurity, maintaining excellent IT service levels, and building a platform that enables us to embrace and lead on technology implementation. In May 2025, the Board undertook external cybersecurity training, reinforcing our commitment to governance and risk management in this critical area.

As we look ahead, technology will remain a cornerstone of our strategy, enabling growth, safeguarding our operations, and ensuring we can continue to deliver a premium experience for our licensees and their clients.

**Board and Governance**

Our people lie at the heart of DSW Capital's success, and this year we undertook key leadership transitions to support the Group's long-term strategic goals and continued growth.

On 25 November 2024, Pete Fendall, previously Group COO and Interim CFO, was formally appointed as Chief Finance and Operating Officer. This reflects Pete's expanded responsibilities and his contribution to the Group's operational and financial leadership.

On 1 April 2025, Shru Morris succeeded James Dow as Chief Executive Officer. Shru played an integral role, working alongside Pete Fendall, in securing the acquisition of DR Solicitors in the year, and I look forward to the further development of the Group under their leadership.

James, who co-founded the business and was the driving force behind the IPO of DSW in 2021, continues to play a vital role in the Group's development. He is actively involved in attracting new businesses and Partners to the Network, while also providing ongoing strategic counsel to the Group's management team. On behalf of the Board, I thank James for his exceptional leadership, dedication, and hard work in building DSW into the business it is today.

The Board consists of five directors, three of whom are executive directors and two non-executive directors. Both non-executive directors, Jillian Jones and I, are considered independent. The current Board reflects a blend of different experience and backgrounds and is considered appropriate for the scale of the business.

The Board is supported by two committees, namely the Audit and Risk Committee and the Remuneration and Nominations Committee, with formally delegated duties and responsibilities.

I am happy to report that DSW has complied with the updated QCA Corporate Governance Code 2023 throughout FY25, and you can find more information on our governance arrangements in the Corporate Governance Statement on pages 41-44 of the Annual Report.

**Our approach to Risk**

At DSW, we take a proactive and structured approach to risk management, beginning at the highest level with the Board. Alongside my fellow directors, I continue to closely monitor and assess the risks facing the Group, ensuring that robust mitigation strategies are in place to protect the business and support sustainable growth.

Supporting the DSW Network in managing risk has remained a key priority throughout the year. We have delivered targeted interventions such as Compliance Inductions and Risk Management Workshops for newly

## CHAIR'S STATEMENT

established licensee businesses, which have been positively received. Notably, following the acquisition of DR Solicitors, we held a dedicated Risk Management Workshop to ensure alignment with DSW's risk framework and to establish a register of principal risks relevant to their operations.

We continue to invest in our compliance infrastructure, providing relevant guidance and training to promote a proactive, informed approach to risk management across the Network. This commitment ensures that our licensees are well-equipped to navigate an increasingly complex regulatory environment while maintaining the highest standards of professionalism and integrity.

For more detail, please refer to Risk Management section on pages 35-38 of the Annual Report.

### **Environmental, Social and Governance ("ESG")**

As a Board, we understand and welcome the increasing importance of ESG to our investors, employees, and clients. We are committed to creating positive, long-term interactions with all stakeholders and view ESG as a fundamental part of how we operate and grow the business.

The Group's ESG cornerstones and priority areas remain high on the Board's agenda. We are pleased to publish our ESG Report within this year's Annual Report. It provides a comprehensive review of our progress to date and the meaningful actions we are taking in areas in which we can have the greatest impact. You can read more about our initiatives and performance in the Environmental, Social and Governance Report on pages 30-34 of the Annual Report.

We also continue to make voluntary Streamlined Energy and Carbon Reporting (SECR) disclosures, recognising the vital role all businesses must play in reducing carbon emissions and improving energy efficiency. Further details can be found in the Directors' Report on pages 50-54 of the Annual Report.

Our commitment to ESG is not just led by compliance, it is centred on building a responsible, resilient business, which creates long-term value for all stakeholders.

### **Dividend**

Following the strong performance in FY25, the Board is pleased to propose a final ordinary dividend of 2.0 pence per share for the year ended 31 March 2025. This brings the total dividend for the year to 3.0 pence per share, marking a return to a progressive dividend policy.

This decision not only reflects the Group's improved financial performance during the year but also the successful diversification of the business, particularly through the acquisition of DR Solicitors, which significantly reduced the Group's exposure to M&A activity.

An interim dividend of 1.0 pence per share in respect of the six months to 30 September 2024 was paid on 10 January 2025. If the proposed final dividend is approved by shareholders, it will bring the total cumulative dividends paid to shareholders post-IPO to 12.98 pence per share.

The Board remains committed to delivering long-term value to shareholders and is confident that the reinstated progressive dividend policy reflects the Group's strengthened position and future growth potential.

### **Outlook**

FY25 has been a year of transformation and building momentum for DSW Capital, marked by strong financial performance, strategic progress, and the successful integration of DR Solicitors.

Our refreshed strategy, underpinned by a clear vision and four focused strategic pillars, positions us well to continue building a resilient, diversified, and scalable business advisory group. We remain committed to investing in our people, our platform, and our brand to unlock long-term value for all stakeholders.

While we remain mindful of the broader macroeconomic environment and its potential impact on market activity, the strength of our model, the quality of our licensees, and the agility of our leadership team give us confidence in our ability to navigate challenges and seize new opportunities.

The Board looks forward to FY26 with optimism and remains excited about the long-term prospects for the Group.



**Heather Lauder**

Independent Non-Executive Chair

7 July 2025

# CHIEF EXECUTIVE OFFICER'S REVIEW



*I am delighted to present this set of results, my first as Chief Executive Officer of DSW Capital. This outstanding performance was achieved under the inimitable leadership of James Dow, who co-founded DSW and led the business for 22 years. I thank him, wholeheartedly, for placing his trust in me to lead the business forward and continue building on his life's work.*

FY25 was a transformative year for DSW, defined by an outstanding trading performance and strategic expansion with the successful acquisition of DR Solicitors. The acquisition of a highly scalable legal platform not only strengthens DSW's position in the market through enhanced diversification but also broadens the range of niche professional services available to our network and clients.

Our vision to empower pioneers has never been more relevant, and our results this year reflect the strength of our platform, people, and purpose.

We delivered Network Revenue of £25.8m (FY24: £16.0m) representing record growth of 61.8% year on year, bolstered by the acquisition of DR Solicitors and exceptionally strong levels of M&A activity and completions ahead of the Autumn Budget. Our keen focus on talent acquisition enabled us to end the year with a record 136 Fee Earners, up from 107 in FY24 and 51 Partners (FY24: 50), giving us a great platform for growth in the year ahead.

We delivered a strong performance and growth across our core service lines, underscoring the effectiveness of our strategy to attract high-quality fee earners and deepen client relationships. This momentum reflects tangible returns on the investments we have made in recent years, particularly in enhancing our platform, expanding our service offering, and strengthening our brand presence. These results reinforce our confidence in the scalability of DSW's model and its ability to deliver sustainable, long-term value for shareholders.

The creation of DSW was truly pioneering, an innovative model that was the first of its kind within professional services. James's vision has always been, and continues to be, inspirational. He has worked tirelessly to empower others to build and grow successful businesses.

I would like to take this opportunity to thank our Executive Director and Co-founder, James Dow, for his unwavering support and leadership over the past year, and for guiding the business with vision and dedication for the past 23 years.

## Strong trading results

Adjusted EBITDA increased by 186% to £1.79m (FY24: £0.63m), reflective of the high quality, high margin work delivered to clients, as well as the earnings-enhancing acquisition of DR Solicitors.

Revenue more than doubled to £4.9m (FY24: £2.3m) and Adjusted Profit before Tax was almost tripled to £1.4m (FY24: £0.5m). The Group experienced heightened levels of M&A activity in FY25 as a high number of business owners sought to 'beat the budget', resulting in around £3.0m of supernormal Network Revenue in October 2024, which contributed to the Group's strong profitability in the year.

Cash generation from operations was also very strong at £2.0m (FY24: £0.1m), reflecting strong cash conversion, low working capital days and high quality of earnings demonstrating the strength of our model. The Group's balance sheet remains healthy with cash balances of £2.7m at 31 March 2025 (FY24: £2.6m), and net debt of only £0.3m (FY24: £2.6m net cash), following the full drawdown of a new £3.0m Revolving Credit Facility in November 2024 to part fund the DR Solicitors acquisition.

We remain well-resourced to execute our strategy across business advisory services and build on the DR Solicitors legal platform to scale our service offering to attract new talent.

## CHIEF EXECUTIVE OFFICER'S REVIEW

**DSW's strategy and delivery against it**

Our vision is for the DSW platform to empower pioneers to grow their own businesses. The transformative acquisition of DR Solicitors demonstrates our strategy, to be a more resilient and diversified group of licensee businesses, in action. The acquisition reduced the Group's dependency on M&A significantly in FY25 to 55% of Total Income (FY24: 68%), with a further reduction to around a third expected in FY26, following a full year's contribution from DR Solicitors. In FY24, we invested significantly in additional central recruitment capability and expanded our geographic footprint with new corporate finance teams being established in the Midlands and Cardiff. This investment has delivered a positive contribution to the Group in FY25, as the market recovered and has gained pace.

In FY25, our investment focus has been on scaling DR Solicitors, boosting our marketing capabilities to strengthen our brand and building on our legal proposition, to create a flexible platform that enables ambitious and entrepreneurial lawyers to start and grow their own businesses.

Our differentiated model and the creation of a business advisory group is set to create even more opportunities to drive talent acquisition and growth for the future. Our deepened breadth of expertise has created a much stronger platform to attract and deliver for mid-market clients across the UK.

**Professional Headcount**

Our focus is on the recruitment of new Partners, new teams and the recruitment of additional Fee Earners to grow existing licensee businesses.

At the year-end, the number of Fee Earners, including Partners, had grown to a new record number of 136, an increase of 27.1% (FY24: 10.3%). Since March 2013, the number of Fee Earners has increased from 30 to 136 which equates to a 12-year compound annual growth rate ("CAGR") of over 13%. The Group has added 54 Fee Earners since the Admission to AIM in December 2021.

Partner recruitment remains a cornerstone of long-term shareholder value. While the recruitment market tightened in FY25, partly due to improved M&A activity in late 2024 as teams were busy delivering for clients, we are now seeing early signs of renewed momentum as activity picks up in the new financial year.

The acquisition of DR Solicitors increased our professional headcount by 20 and an additional nine heads joined as a result of organic growth across the Network. We have a good pipeline of future licensees and Fee Earners, as the market for top talent coming away from traditional professional services firms has improved.

**Empowering pioneers**

We have been empowering pioneers since 2002, creating a platform model to disrupt our industry and give ambitious individuals the freedom and autonomy to thrive. This wealth of experience informs every element of our proposition, and is why we have been able to empower individuals through the Dow Schofield Watts brand, and now the DR Solicitors brand, to create both value and lasting legacies.

The traditional advisory and legal models are undergoing the most transformative change we have seen for many years. The interest from Private Equity and consolidation into larger groups is changing the landscape for future Partners, and we are well placed to challenge these structures to attract top entrepreneurial talent. Professionals are increasingly seeking roles that empower them and guide them along a clear path to success, away from traditional corporate structures. Our Partners are empowered to run their own businesses with the freedom to decide how, where, and with whom they work.

Our Partners and their teams are our greatest ambassadors. On behalf of our shareholders, I would like to take this opportunity to thank all of them for their continuing commitment to Dow Schofield Watts and our values.

**Strength in our brand**

DSW must continue to demonstrate that it is a highly attractive proposition for professionals who work for clients in the UK "mid-market". Strengthening our brand proposition to professionals in the accountancy sector and reaching new audiences within the legal sector is our primary focus for this year. Recruiting Partners and teams of the right quality remains our priority. As at 31 March 2025, 41% of DSW employees and Partners previously worked at a Big 4 firm, and 33% of DR Solicitors previously worked at Magic or Silver Circle law firms.

The quality of DSW's people and their clients is reflected in our average revenue per fee earner of £214k (FY24: £153k), which has seen a huge improvement as we capitalised on favourable market conditions and added high-quality revenues from DR Solicitors.

DSW's achievements and capabilities were further demonstrated in achieving a major milestone, surpassing 500 deals comprising £10bn in value since its inception in 2002. DR Solicitors was also named the 6<sup>th</sup> fastest growing legal platform firm in the Sub-30 Fee Earner category in 2024,<sup>9</sup> enabling us to benefit from high quality fee earners who want a credible alternative to working in a larger law firm.

<sup>9</sup> Platform Firms Report 2025 by Codex Edge

## CHIEF EXECUTIVE OFFICER'S REVIEW

**Optimising our platform**

In FY25, DSW Capital made significant strides in operational excellence, strengthening its position as a leading business advisory platform for entrepreneurial professionals. Our efforts were anchored in the strategic pillar of "Optimising our Platform," which underpins our vision to empower pioneers to build and grow their own businesses.

A key focus was the enhancement of our "plug-in-and-play" platform, designed to streamline onboarding, client delivery and enable seamless collaboration across service lines. We invested in our brand and marketing capability, investing in a new corporate PR agency in the year which has helped to reach new audiences and attract interest from clients and potential recruits.

We also advanced our tech enablement agenda, integrating digital tools to support our deal advisory teams.

In October, we successfully hosted our second full employee conference, an outstanding initiative born from our Future Leaders Programme, to aid collaboration across the network. The Future Leaders Programme, developed in partnership with BecomingX, continues to grow in impact and reach. This year, it welcomed its third cohort, comprising 10 talented Employees and Partners, further strengthening our commitment to leadership development across the firm.

Together, these initiatives and our platform, create a strong foundation for future growth, enabling DSW Capital to deliver on its ambition of becoming the destination of choice for ambitious entrepreneurs.

The DSW Capital team has worked tirelessly to enhance the support we provide to our licensees and to build a market-leading platform that attracts and empowers the next generation of professional talent. I would like to extend my sincere thanks to the entire team for their dedication, hard work, and commitment over the past year.

**International network**

DSW has an established partnership network of global advisory firms, called "Pandea Global M&A". Pandea Global M&A comprises selected independent firms with a primary focus on the origination and execution of middle market M&A activities. We believe this network of 37 member firms, with 360 dealmaking professionals in 69 offices across 34 countries, is the 13th largest M&A network in the world.

The Pandea network increases DSW's access to overseas buyers, investors, and valuable local knowledge, while providing its UK-based clients with access to an enlarged pool of acquisition targets. The Pandea network delivered 251 deals in 2024, some of which were engaged across Pandea teams, demonstrating the referral opportunities it provides.

The Pandea conference held in Dubai in May 2025, which DSW attended, attracted over 45 delegates from 23 of the 33 member firms.

**Looking ahead**

Trading in the early weeks of the new financial year has been encouraging, despite ongoing macroeconomic uncertainty. Over the past two years, the Group has navigated a series of challenges with resilience and adaptability. As a result, we enter FY26 as a more robust business, one that is equipped to deliver a broader and more integrated range of services to our clients than ever before.

The transformation of DSW Capital, achieved in FY25, reinforces my great confidence in the Group's ability to capitalise on an evolving landscape in professional services. Our scalable platform has the capacity to support significant further growth, with financial headroom to welcome additional licensees, and invest in our existing businesses to grow their teams. We are also encouraged by a healthy and active pipeline of opportunities.

Looking ahead, we expect organic growth to continue to strengthen in FY26, underpinned by sustained recruitment momentum and a more focused approach to expanding our presence in the mid-market. We remain committed to delivering on our ambitious medium-term growth plan, building on the progress we've made, the momentum we're seeing across the Group, and the favourable market dynamics. With a combination of strong organic performance and a robust recruitment pipeline, we are confident in both the year ahead and our ability to scale the business and deliver long-term value.


**Shrutisha Morris**

Chief Executive Officer

7 July 2025

# CHIEF FINANCE & OPERATING OFFICER'S REVIEW



## Key Performance Indicators

The following KPIs are used by management to monitor the financial performance of the Group:

	2025	2024	2023
<b>Revenue (£'000)</b>	4,855	2,311	2,714
<b>Total income (£'000) <sup>9</sup></b>	4,965	2,431	2,998
<b>Adjusted EBITDA (£'000) <sup>10</sup></b>	1,787	626	1,536
<b>Adjusted PBT (£'000) <sup>11</sup></b>	1,430	507	1,409
<b>PBT (£'000)</b>	1,301	207	715
<b>Adjusted PBT margin (%)</b>	29.5	21.9	51.9
<b>PBT margin (%)</b>	26.8	9.0	26.3
<b>Net Assets (£'000)</b>	10,015	7,588	7,895
<b>Cash generated by operations</b>	2,011	85	1,350

The Group also measures its performance using the following KPIs which are derived from the performance of the DSW Network:

	2025	2024	2023
<b>Total revenue of all Network licensees (£'000)</b>	25,844	15,975	18,263
<b>Revenue per Fee Earner (£'000)</b>	214	153	193
<b>Revenue per Partner (£,000)</b>	507	320	435
<b>Fee Earners (Closing Number)</b>	136	107	97
<b>Fee Earners (Average Number)</b>	121	104	95

*FY25 was a landmark year for the Group, marked by record-breaking growth, strategic diversification and the realisation of prior year investments. Against a backdrop of improving market conditions and a resurgence in M&A activity, we have delivered exceptional financial and operational performance, underpinned by our resilient business model and disciplined execution.*

This year's results reflect the benefits of our proactive recruitment strategy and the transformational acquisition of DR Solicitors, which has significantly enhanced our earnings and broadened our sector exposure. Network Revenue grew by 61.8%, driven by both organic growth and the contribution from DR Solicitors, while Adjusted EBITDA nearly tripled year-on-year.

We are particularly proud of the momentum in Fee Earner growth, with headcount increasing by 27.1% and Revenue per Fee Earner rising by 39.7%, demonstrating the strength of our platform and the quality of our teams. Our central investments in marketing, technology, and infrastructure continue to support our licensees and position the Group for long-term, sustainable growth.

FY25 was a year of delivery, of strategy, of scale, and of resilience. As we look ahead, we remain focused on building a more diversified and robust business, capable of thriving across market cycles and delivering value for all stakeholders.

<sup>9</sup>Total income represents statutory revenue from DSW licensees and DR Solicitors plus share of results of associates.

<sup>10</sup>Adjusted EBITDA is defined as Operating Profit adjusted to add back depreciation (£169k), amortisation (£185k), acquisition costs (£25k) and share-based payment expense (£104k).

<sup>11</sup>Adjusted profit before tax is defined as profit before tax adjusted to add back the items not considered part of underlying trading including share-based payment expense (£104k) and acquisition costs (£25k). It is a non-GAAP metric used by management and is not an IFRS disclosure. Reconciliation can be found in the CFOO report on page 26.



## CHIEF FINANCE &amp; OPERATING OFFICER'S REVIEW

**Income Statement***Revenue and Network Revenue*

Network Revenue for the year was £25.8m, an increase of 61.8% on the prior year and a record year for the Network. The impressive growth, year on year, can be pinpointed to three things.

Firstly, off the back of a challenging two years, in which we experienced subdued M&A activity, levels of M&A activity in October 2024 were strong, as transactions completed to 'beat the budget' ahead of anticipated tax legislation changes. We estimate that this spike contributed to £3m of 'supernormal' Network Revenue, as we enjoyed both an increased number of deal volumes and size of transactions in the run up to the Autumn Budget.

In FY25, we also benefitted from the investments we made in FY24, in which we welcomed a record number of new Partners into the Network. These additions included five corporate finance partners, who were able to benefit from the heightened M&A activity in October 2024. Underlying DSW licensee revenue grew by 52.8% year on year. Even after stripping out the 'supernormal' activity, Network Revenue grew by 34.1%.

Furthermore, the transformational acquisition of DR Solicitors significantly enhanced the Group's earnings, contributing £1.4m of income in the five-month period post-acquisition. This strategic acquisition has enabled us to expand into the legal sector, diversifying the business and reducing our dependency on M&A, which reduced from 68% to 55% in FY25. We expect our M&A dependency to reduce further to approximately a third in FY26, reflecting our efforts to build a more resilient business through synergistic diversification.

Our average effective licence fee reduced to 14.5% (FY24: 15.4%), reflecting reduced profit share contributions from some of our licensees as they have invested in their teams to drive top-line growth. Overall income from licensees, including our share of results from associates, increased by 45.6% to £3.5m.

*Fee Earners*

FY25 proved to be a record-breaking year for Fee Earner growth, with headcount rising from 107 to 136 – a 27.1% increase year on year. This was driven by the acquisition of DR Solicitors in November 2024, which added 20 new Fee Earners to the Network. Encouragingly, we are pleased to report that nine heads (8.4%) joined as a result of organic growth across the Network, reflecting renewed confidence.

This momentum in both headcount and revenue growth underscores the effectiveness of our targeted investments and strategic acquisitions over the past year. By expanding our sector reach and deepening our talent pool, we have set a robust foundation for scalable growth. The integration of DR Solicitors has not only diversified our income streams but also enhanced our ability to attract high-calibre professionals looking for innovative, flexible working environments. These actions position us favourably to capture new opportunities, while maintaining operational excellence across the Group.

Last year, we noted that, while economic conditions created an opportunity for Partner growth, many licensees were taking a cautious approach to recruitment. This year, a significant boost in market activity has prompted our teams to act. As a result, average team size has increased from 4.3 to 5.2, with notable growth in our new start-ups, which have established themselves as 'best-in-class' advisors in their local regions.

Revenue per Fee Earner increased by 39.7% to £214k (FY24: £153k), as a result of higher utilisation due to increased M&A activity and increased levels of contribution from start-ups who joined in the prior year. Our Revenue per Fee Earner remains comparable with our larger listed peers such as Knights, Gateley and Keystone Law, as well as the Big 4.

The investment in Partner recruitment in FY24 is now bearing fruit, and we remain confident that DSW continues to be a highly attractive destination for ambitious professionals as an organic recruitment momentum builds. Furthermore, we see significant potential for growth in DR Solicitors; in 2024, twice as many lawyers opted to leave 'traditional' law firms to move to 'platform' models like DR Solicitors. Our focus is to tap further into this growing trend in the legal sector<sup>12</sup>.

*Central Costs*

We are committed to maintaining a lean cost base, whilst ensuring we provide our licensees with the support they need to thrive and fulfil their potential. We recognise that for our Partners and Employees to be the best that they can be, we need to invest in central initiatives that ensure we remain the best that we can be and provide increased value to our licensees.

Central costs (excluding the share-based payment charge and acquisition costs) increased by £0.98m, on the prior year. Most of the increase can be linked to the DR Solicitors acquisition, with £0.4m being the acquired cost base of DR Solicitors and an additional £0.1m attributable to the increased amortisation charge linked to the customer relationships acquired within the year.

<sup>12</sup> Platform Firms Report 2025

## CHIEF FINANCE &amp; OPERATING OFFICER'S REVIEW

We also continued to re-invest in our central infrastructure, most notably marketing to promote our Brands and Partners, but also in technology and subscriptions to equip our licensees with the best tools and resources to deliver excellent client service.

We are largely insulated from wage inflation as licensee employee costs are borne by the licensee businesses and Partners are remunerated based on the fees they bill. The fixed cost base now includes 19 people (excluding directors), 18 full time equivalents following the acquisition of DR Solicitors. This investment in the existing team and DR Solicitors led to increased staff costs which rose by £0.4m year on year from £1.0m to £1.4m. Similarly, the licensee businesses bear their own property costs or work from home. Therefore the Group's exposure to inflationary pressures is limited to two office premises.

We continued to invest in our marketing team and resources to strengthen the marketing offering we provide to all our licensees. This included appointing a new corporate PR provider for the Group and increased spending on external events and sponsorship.

### Adjusted PBT and Exceptional Costs

Adjusted PBT is calculated as follows:

	2025 (£000's)	2024 (£000's)
Profit before tax	1,301	207
Share based payments	104	299
Acquisition costs	25	-
<b>Adjusted PBT</b>	<b>1,430</b>	<b>506</b>
Impairment of loans due from associated undertakings	62	130
Finance costs	173	22
Depreciation	169	145
Amortisation	185	59
Finance Income	(232)	(236)
<b>Adjusted EBITDA</b>	<b>1,787</b>	<b>626</b>

Our Adjusted Profit Before Tax was £1.4m (2024: £0.5m), an increase of 182.2% on the prior year, reflecting increased levels of licensee activities, increased amortisation charges linked to the acquired customer relationships, increased provisioning against licensee balances, and increased investment in central infrastructure noted above.

Adjusted EBITDA was £1.8m (2024: £0.6m), an increase of 185.5% on the prior year, stripping out the increased amortisation charge and finance costs linked to the DR Solicitors acquisition.

We have a share-based payment charge in the year of £0.1m, which has reduced from £0.3m in the prior year. The £0.2m reduction year on year is due to the growth shares issued on IPO being fully expensed in the prior year and the ongoing charge now relating solely to the executive LTIP scheme.

### Taxation

The effective rate of tax (based on PBT excluding the share-based payments charge which is non-deductible) was 23.1%, slightly below the statutory rate primarily due to unwinding of deferred tax liability arising on acquisition.

### Earnings Per Share

Earnings per share increased year on year due to the significantly increased profitability within the period, although the impact was partially diluted by the shares issued within the period linked to the DR Solicitors acquisition. Adjusted basic earnings per share for the year is 5.0p (2024: 2.0p). Adjusted EPS removes the impact of the share-based payment charge incurred in the year and acquisition costs (as shown above).

### Balance Sheet

#### Cash

The Group's business model is cash-generative as the working capital requirement for the licensee businesses, which includes employee and property costs, are borne by the individual licensees. In addition, Partners only get paid when their invoices are paid so they are highly motivated to collect cash from clients. The acquisition of DR Solicitors brings another highly cash-generative platform model into the Group, which has impressively low lock up of 52.8 days, significantly below that of traditional law firms which average at 130 days.

Overall debtor days significantly reduced from 133 days to 61 days. This was largely due to the acquisition of DR Solicitors which has debtor days of 20, but we have also seen an improvement in debtor days across DSW licensees, due to improved cash generation across our licensee businesses.

Cash generated from operations was £2.0m (2024: £0.1m). Operating cash conversion in the year was 113%,

<sup>13</sup> Operating cash conversion is calculated as cash generated by operations divided by Adjusted EBITDA.



## CHIEF FINANCE &amp; OPERATING OFFICER'S REVIEW

a significant improvement on the prior year (2024: 14%)<sup>13</sup> which was impacted by the subdued M&A activity but also an outflow of £0.5m in loans to new licensees. Operating cash conversion was boosted by the 'supernormal' Network Revenue, further cash generation from DR Solicitors, and £0.2m of loan repayments from licensees within the year.

Capital expenditure was minimal in the year (£0.06m) and lease payments of £0.12m related to the offices in Daresbury and London. Interest income (£0.2m) was earned on licensee loans and the Group's cash balances.

The closing cash and cash equivalents balance remains healthy with cash balances as at 31 March 2025 of £2.7m (2024: £2.6m). Cash balances increased by £0.1m, due to strong cash generated from operations of £2.0m, offset by a net cash outflow of £0.8m from existing cash reserves in relation to the DR Solicitors acquisition. Total cash consideration for DR Solicitors was £3.7m, of which £2.9m was funded by a new revolving credit facility secured within the period. Additional cash outflows include £0.6m of corporation tax payments (2024: £0.2m) and dividends of £0.4m paid within the period (2024: £0.7m).

### *Borrowings*

As mentioned above, a £3.0m revolving credit facility was secured within the period and fully drawn down to fund the DR Solicitors acquisition. The facility carries interest of 4.5% above the Bank of England base rate and is subject to standard gross leverage and interest cover covenants. In FY25, interest of £113k was paid on the facility. At 31 March 2025, the Group had net debt of £0.3m (FY24: £2.6m net cash). On the 12 June 2025, a repayment of £1.0m was made as a result of the strong cash generation in FY25.

### *Net Assets*

The Group has a strong balance sheet with net assets of £10.0m at the year-end (2024: £7.6m). We continue to

retain healthy cash resources and have access to additional funding through the revolving credit facility, which gives us the fire power to continue taking advantage of current recruitment and strategic acquisition opportunities.

### **Dividend**

Following the strong performance in FY25, the Board has taken the decision to propose a final ordinary dividend for the year ended 31 March 2025 of 2.0 pence per share, giving total dividends for the year ended 31 March 2025 of 3.0 pence per share. Following the suppressed dividend payment in FY24 (FY24: Total dividends of 2.0 pence per share), the Board is pleased to be reinstating a progressive dividend policy. This decision is a result of the improved performance in FY25, but also the successful diversification of the business with the acquisition of DR Solicitors, significantly reducing the Group's exposure to M&A activity. An interim dividend of 1.0 pence per share in respect of the six months to 30 September 2024 was paid on 10 January 2025.

The final dividend will be approved at the Company's AGM which will be held on 16 September 2025 at The Park Royal Hotel, Warrington, WA4 4NS.

Assuming the FY25 Final Dividend of 2.0 pence is approved at the AGM, the Group will have paid out 12.98 pence per share in dividends since its IPO in December 2021.



Pete Fendall  
Chief Finance & Operating Officer  
7 July 2025

# SECTION 172 COMPANIES ACT STATEMENT

## Overview

This section serves as our Section 172 ("s172") statement and should be read in conjunction with the Strategic Report and the Company's Corporate Governance Statement.

The Board is aware of and complies with its duty under Section 172 of the Companies Act 2006 to act in the way which it considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

*S172(1) (A): "The likely consequences of any decision in the long term"*

The Board understands the business and the evolving environment in which the Group operates, including the changes in macroeconomic and social factors. DSW Capital has a clearly stated long term growth strategy and, as such, all significant business decisions consider both the short and long-term impact. Fundamental to delivering this strategy is to continue recruiting and retaining high calibre fee earners and consultants who deliver work of the highest professional standards to their clients. ESG is fundamental to the long-term success of our business. We are committed to effective corporate governance as the basis for delivering long-term value growth and for meeting our stakeholder expectations for proper leadership and oversight. Our ESG report can be found on pages 30-34 for further details.

*S172(1) (B): "The interests of the company's employees"*

The Board recognises that our people are fundamental and core to our business and the delivery of our strategic ambitions. The success of our business depends on attracting, retaining, and motivating employees and as part of our ESG strategy we are continually developing new initiatives to improve in this area. Our ESG Committee, which is made up of employee and partner volunteers from across the DSW Network, is responsible for driving forward ESG initiatives that reflect the voice of the wider DSW Network, and our ambitions as a firm. Additionally, we held our second group wide DSW conference in October 2024, to bring all employees and partners from across the Network together. This served as a platform for two-way knowledge sharing and fostering strong relationships across the DSW Network. As a Board, we will continue to prioritise and listen to the interests of our partners and employees which is to be achieved by actively promoting and driving opportunities which allow our people to contribute their views and ideas to inform our broader strategy.

*S172(1) (C): "The need to foster the company's business relationships with suppliers, customers and others"*

The Board recognises that our reputation is pivotal to our success and maintaining relationships with our suppliers, customers and wider stakeholders is essential. We take a proactive approach, communicating with our stakeholders and providing regular updates from the Chief Executive Officer. The executive team also meet with our licensee businesses and partners regularly, to maintain strong relationships across the Network.

With the acquisition of DR Solicitors in November, the Group now works hand in hand with its regulator, the Solicitors Regulation Authority ("SRA") to ensure that it abides by its professional and regulatory duties and obligations in an open and transparent manner. Furthermore, as an AIM listed company, the Group continues to be in regular contact with our nominated adviser to ensure the Board is aware of any applicable regulatory changes.

*S172(1) (D): "The impact of the company's operations on the community and the environment"*

DSW Capital is committed to engaging with and supporting the local community and our actions are overseen by our Environmental & Social impact leads, who sit within our ESG Committee. Our ESG Committee puts forward and drives initiatives that enable us to have a positive impact on both our local community and the environment.

As an office-based business, our impact on the environment is relatively low, with carbon emissions predominantly from energy usage and travel. We have included a voluntary Streamlined Energy and Carbon report ("SECR") which demonstrates our commitment to working towards becoming a Net Zero business. Our report can be found on pages 52-53, which also sets out further details on the energy efficiency actions we are taking as a business.

Our commitment to both the local community and the environment also features as a cornerstone within our ESG strategy, further details of which can be found in our ESG report.

*S172(1) (E): "The desirability of the company maintaining a reputation for high standards of business conduct"*

The Board recognises the importance of maintaining our reputation for being associated with excellent client service and market leading expertise. At DSW, we promote a culture

## SECTION 172 COMPANIES ACT STATEMENT

based on ethical values and behaviours through our 'Code of Conduct', compliance training and providing access to compliance manuals, guidance and senior consultative resource, to ensure that our high standards are maintained across the Network. Each new business undertakes an initial compliance induction, including developing a risk assessment and framework for the individual business. The Board monitors the performance of network members through both the monthly Board meetings and regular Audit and Risk meetings whilst promoting a culture of openness and transparency.

*S172(1) (F) "The need to act fairly as between members of the company"*

The Board recognises the need to treat all members of the company fairly and consistently, as required by both professional standards and to comply with the QCA Code. The Board considers the impact on all stakeholders of the company when determining the course of action which best enables us to deliver our strategy through the long term. Further details of how we engage with our stakeholders can be found within the Corporate Governance Statement on pages 41-44.

*Stakeholder engagement (including employee engagement)*

The Board strongly believes that DSW's success requires us to work closely with clients, partners, investors and other stakeholders. We believe that working together and sharing knowledge and experience with others offers us greater insight into our business. In the current year we held our second DSW group wide conference and have welcomed the third cohort of aspiring partners and leaders onto our Future Leaders Programme to build on the progress made by the first two cohorts and to empower and engage employees in the broader strategy of our business. Further details and highlights from FY25 can be found in our ESG report on pages 30-34. We also appreciate our long-term relationships with our investors and acknowledge the positive impact of ongoing engagement and dialogue.

## Key Decision Making

The key decisions taken during the year included;

### *Acquisition of DR Solicitors*

The Group acquired DR Solicitors Limited during the year, bringing a highly scalable, cash generative, and profitable legal platform to the DSW Group. The acquisition supported the Board's stated diversification strategy, materially reducing the Group's exposure to the volatile M&A market, as well as broadening the Group's offering into new professional markets. The Board, in conducting its due diligence, carried out cultural fit assessments and strategy sessions with the existing management team, and also considered how the acquisition would fit with the long-term growth strategy of the wider DSW Group.

### *Board Changes and Succession Planning*

During the year, the Group undertook key leadership transitions to support its long-term strategic goals. On 1 April 2025, Shru Morris succeeded James Dow as Chief Executive Officer. James, a co-founder of the business, stepped down from the CEO role but continues to play a vital role in the Group's growth. He remains actively involved in attracting new businesses and partners to the network, while also providing ongoing strategic counsel to the management team. In addition, Pete Fendall, previously Group COO and Interim CFO, was formally appointed as Chief Finance and Operating Officer, reflecting his expanded responsibilities and continued contribution to the Group's operational and financial leadership.

# ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)



*As Chair of the ESG Committee, I'm proud to reflect on another year of meaningful progress across our environmental, social, and governance priorities. ESG remains deeply embedded in DSW Capital's culture—not as a standalone initiative, but as a lens through which we make decisions, support our people, and contribute to the communities we serve.*

This year, we've taken deliberate steps to unlock the potential of our people and our platform. From launching new mentoring and leadership programmes to expanding our Diversity & Inclusion initiatives, we've continued to create an environment where individuals and teams can thrive. Our commitment to empowering our people has been matched by our investment in responsible business practices and our growing focus on sustainability.

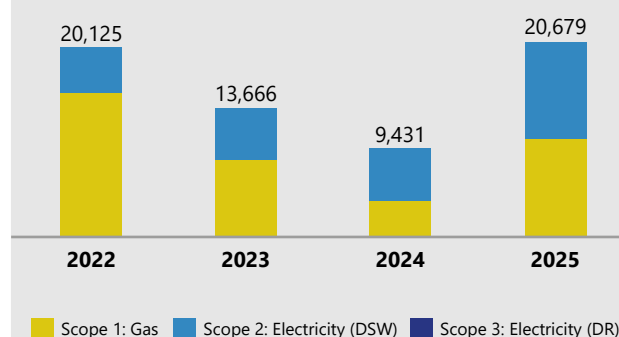
We've also strengthened our community engagement, placing greater emphasis on enabling our people to support the causes that matter most to them. Whether through volunteering, fundraising, or local partnerships, our teams have shown incredible generosity and initiative. I'm particularly excited about the upcoming launch of our matched funding and volunteering schemes.

On the environmental front, we've seen an increase in our carbon footprint in the current year which is in part due to the acquisition of DR Solicitors. As we look ahead, we remain

focused on working with our licensees and suppliers to address Scope 3 emissions and embed sustainability into our broader growth strategy.

## 2025 Highlights

### Energy Usage (kWh)



Welcomed the 3rd Cohort of aspiring partners and leaders on the **DSW Future Leaders Programme**

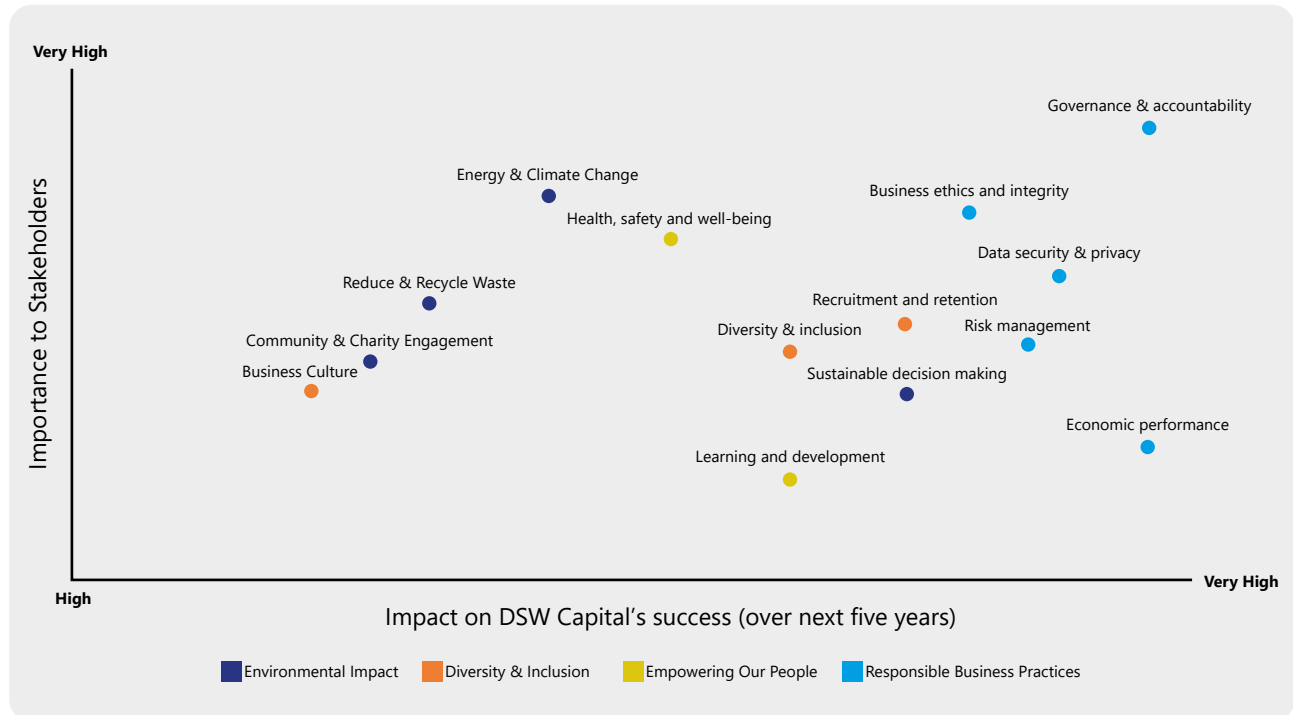
Over 100 of our people and partners came together for our **2nd Annual Group Conference** where we launched our DSW Impact awards.

Hosted our first **Female Pioneers Event** bringing together entrepreneurs, clients, referrers and our professional community to hear from a panel of accomplished business leaders.

**Over 45% of the Network** are engaged with our cross-service line mentor programme as either a mentee or mentor.

## ENVIRONMENTAL, SOCIAL &amp; GOVERNANCE (ESG)

## Identifying our key material ESG Issues



Our ESG priorities continue to be informed by our materiality assessment, which allows us to prioritise ESG related topics which are important to our DSW Network members and other key stakeholders. The assessment was carried out by the executives in 2023, and then challenged and validated by the DSW Network members through consultation and internal focus groups. To ensure that our ESG topics and priorities remain relevant, we plan to review our assessment with our ESG committee in 2025. A focus of the review will be to revisit our ESG KPIs and to set out our vision for 2030 and how our ESG Strategy aligns with our broader strategic vision for the Group.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Social & Environmental Impact

Cornerstone Leads



Katie Walton



Cath Priestley



Jess Bradbury

Cornerstone	Our Aim
Social & Environmental Impact	Our aim is to make a positive, long-term impact on our local communities whilst minimising our impact on the environment.

UN Sustainable Development Goals



Supporting the communities in which we operate remains a core part of DSW Capital's culture. While our focus is on charities and initiatives local to our group's offices, we also extend our support to national causes. This year, we placed greater emphasis on empowering our people to champion the causes that matter most to them. We welcomed and encouraged charity nominations from across the group and celebrated individual charitable efforts.

Our teams actively contributed by collecting clothing and food for local charities and volunteering their time to support fundraising events. In addition, the ESG Committee has been developing a matched funding scheme to support employee-led fundraising and is preparing to launch a volunteering initiative in 2025.

We continue to collaborate closely with the wider ESG Committee to raise awareness of our initiatives through regular newsletters and updates, helping to embed ESG values across the business.

As an office-based organisation, our direct environmental impact is relatively low, with the majority of emissions arising from energy use and business travel. This year, we focused on encouraging behavioural changes to reduce energy consumption at our Daresbury office. With the acquisition of DR Solicitors and the office in Guildford, we

will be looking at how we can replicate the success we've had in Daresbury.

With the addition of DR Solicitors, our combined Scope 1 and 2 emissions increased by 110% (FY24: reduced by 31%). Looking ahead, we will continue to work with our licensees to identify and implement initiatives targeting Scope 3 emissions, further reducing our environmental footprint. Additional details on our environmental performance and actions can be found in our Streamlined Energy and Carbon Report on pages 52-53.

We are also committed to responsible procurement. Wherever possible, we seek to work with suppliers who share our values and environmental ambitions. As the Group continues to grow, managing our carbon footprint will remain a key focus of our Environmental Policy, ensuring that sustainability is embedded in our decision-making processes.

Diversity & Inclusion

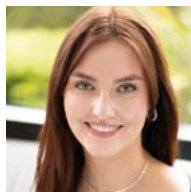
Cornerstone Leads



Susie Dow



Ellen Little



Madeleine Andrews

Cornerstone	Our Aim
Diversity & Inclusion	Our aim is to create a diverse and inclusive environment for our people, recognising the benefits a broad range of perspectives can bring to the progression and success of the business.

UN Sustainable Development Goals



Diversity is a fundamental strength of DSW Capital's business model. We recognise that a wide range of perspectives enhances innovation, decision-making, and long-term success. Our flexible, decentralised model is uniquely positioned to lead the accounting profession in

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

fostering inclusivity and breaking down traditional barriers to entry and progression.

Our platform empowers licensees and employees with genuine flexibility—allowing them to choose when and where they work, supported by robust technology that enables seamless service delivery. This flexibility creates opportunities for individuals who may be underrepresented in traditional corporate finance and transactional services environments.

We are particularly proud of the progress we’ve made in supporting women into senior roles. Approximately 20% of the DSW Network’s current partners and 60% of the DSW Capital Board are female, reflecting our commitment to gender diversity. However, we acknowledge that there is more to do, and we remain focused on broadening representation across all levels of the business. During the year, we hosted our inaugural Female Pioneers Business Brunch, featuring inspiring discussions with female leaders who are shaping the future of their businesses.

Our commitment to diversity extends beyond gender. We are dedicated to fostering an inclusive environment that embraces differences in ethnicity, sexual orientation, gender identity, disability, social mobility, and other characteristics that can lead to disadvantage. This commitment is embedded in our values and will continue to guide how we welcome new professionals and businesses into the DSW Network.

Throughout the year, our ESG Committee issued Diversity & Inclusion Newsletters to raise awareness and celebrate key events such as Global Inclusion Week. This also included a Diversity in Recruitment newsletter which explored inclusive recruitment practices, shared success stories from across the Network, and provided practical resources to support our diversity goals.

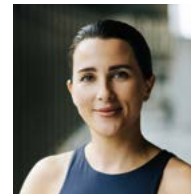
Attracting and retaining the right people is critical to our long-term success. We are proud to offer alternative pathways into specialist service lines and business roles. In FY25, we welcomed three apprentices, interns, and graduates into the Network, along with two work experience students who gained valuable exposure across our Group. In 2025 we continue to explore how we can champion social mobility and provide a footing for aspiring finance and legal professionals to launch their career.

Empowering our People

Cornerstone Leads



Liz Lawson



Giovanna Jackson



Ros Jones

Cornerstone Our Aim

Empowering our People

Our aim is to empower our people to be the best that they can be and build successful and sustainable businesses.

UN Sustainable Development Goals



We continue to run the BecomingX bespoke Leadership Development programme, which is now in its third year and has ten ambitious employees generating ideas on how to grow our business and help to strengthen and develop collaboration and relationships across the DSW network. This completes in July, when we will share a summary of all the initiatives we have taken forward, that were originated by our ‘Future Leaders’ alumni.

We held our second Group conference in October 2024 with over 100 DSW partners and employees in attendance. We had presentations from new service lines, MC2 - our new PR and marketing partners, - and an inspirational talk from Mark Beaumont who holds the World Record for the fastest time to cycle around the world. The event incorporated lots of interactive sessions and networking opportunities.

Our DSW mentoring programme continues to benefit our people, with 45 percent of the DSW network engaged as either a mentor or mentee. The benefits reported by our mentees include gaining a fresh perspective, guidance on handling work challenges, career planning, skills development and expanding professional networks.

During the year we invited a nutritional specialist into the business, who gave an insightful presentation and interactive Q&A session covering the basics of understanding how to effectively manage a balanced diet. We are looking forward



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

to welcoming him again this year to build on this by taking us through how diet is linked to hormones and menopause. We are in the process of developing various wellbeing resources which will be available on our intranet, which was launched earlier this year. These will include a combination of resources aimed to help with time and stress management, mindfulness, and reminders on where staff can find additional help through our mental health first aiders. We have also scheduled quarterly meditation sessions to be held at our Daresbury office, which are available across the Group remotely.

Responsible business practices

Cornerstone Leads

DSW Capital Board

Cornerstone	Our Aim
Responsible business practices	Our aim is to promote a culture based upon ethical values and behaviours which align with those of our stakeholders.

UN Sustainable Development Goals



At DSW Capital, we are committed to upholding high standards of corporate governance as the foundation for delivering sustainable long-term value and meeting shareholder expectations for effective leadership and oversight.

As outlined in our Corporate Governance Statement, we continue to apply the QCA Corporate Governance Code. This framework supports our efforts to engage constructively with stakeholders, manage risk effectively, and drive value across the business.

Ethical conduct is embedded in our culture through our Code of Conduct, which is shared with all members of the DSW Network. We maintain a zero-tolerance approach to discrimination, bribery, corruption, and any form of unethical behaviour. These principles are reinforced through our employment policies, including those covering whistleblowing and anti-bribery, which help foster a culture of integrity and accountability.

At Board level, governance is further supported by clearly defined terms of reference for each committee, regular disclosure of Directors' external interests, and adherence

to a formal share dealing code. These measures ensure transparency and uphold the highest standards of conduct.

As part of our ESG strategy, all employees across the Group have access to a compliance manual, providing updated guidance and resources to support ethical and responsible business practices across the Network.

We also made significant investment to enhance our IT security. With the support of independent experts, we have refined our approach to managing operational and cyber risks, ensuring our systems and processes remain resilient and fit for the future.

Looking at the year ahead

We will continue to develop and evolve our ESG strategy to meet the needs of the DSW Network and our stakeholders, ensuring that our approach remains relevant and meaningful. We aim to deliver long-term value through ESG and recognise the role we have to play in supporting the transition to a low carbon economy and acting as a good corporate citizen.

Pete Fendall

ESG Chair

7 July 2025



# RISK MANAGEMENT

The Corporate Governance Report includes an overview of the Group's approach to risk management and internal controls. Set out below are the principal risks and uncertainties that the Group faces, and the activities designed to mitigate these risks. The Board recognises that the nature and scope of risks can change and undertakes regular risk assessment reviews. This list contains the principal risks only and is therefore not intended to be exhaustive.

## Risk

## Mitigation

### **Failure to locate or acquire suitable network firms, teams, staff or consultants.**

Attracting experienced and appropriately skilled personnel is critical to the future success of the group. Revenue may be constrained if the group does not recruit individuals or teams that have the capability or motivation to run and build their own business, or who do not possess the appetite to grow their revenues year on year.

The DSW & DR Solicitors brands may suffer reputational damage if member firms or individuals are recruited that do not align with our ethos or culture which could lead to poor publicity, crystallise legal claims or create regulatory disciplinary action. Such events, if they occurred, could significantly impact the Group's reputation, its financial position and ability to generate future revenues.

The Group has a dedicated recruitment team who invest considerable time and effort to identify and attract high quality network members, both to existing businesses and to establish new businesses within the DSW Network.

The Group offers an excellent incentive scheme for existing network members to identify and introduce new members through recruitment commissions and participation in subsequent licence fees.

Comprehensive due diligence checks and evaluations are carried out on all candidates including a partner assessment. Network member performance is also closely monitored and is a core area of focus for the Board. The Board encourages regular dialogue with and between network partners to promote opportunities for organic growth.

### **Failure to retain existing (and future) network firms, teams, staff or consultants.**

Our people are a key asset of the Group, significantly contributing to its strength and attractiveness. Whilst attrition will naturally be experienced, if the group were to lose the services of large numbers of network members, licence fee income would shrink unless other licensees grew their businesses significantly and/or new member firms were recruited.

In addition, high attrition rates may damage the Group's reputation in the recruitment market, constraining its ability to recruit new member firms.

We value our people highly and invest across our network in their development and support them in achieving their potential. In the current year, we welcome the third cohort onto the 'DSW Future Leaders Programme' in conjunction with BecomingX. This bespoke programme has been tailored for DSW's top talent, to help them take their careers and businesses forward and fulfil their ambitions. Furthermore, we continue to invest in initiatives that bring our network together including our annual Group Wide Conference which was held in October 2024. This is an annual event, where we bring the entire group together to strengthen relationships, share knowledge and invest in the wellbeing of our people.

Our network members receive ongoing support, operational infrastructure and benefit from both the strength of the Dow Schofield Watts and DR Solicitors brands and the ability to leverage cross-referral fee-earning opportunities from our extensive network of member firms. In return, our member firms are required to make a long-term commitment to the Group through our trademark and licensing agreements.

## RISK MANAGEMENT

## Risk

## Mitigation

**Poor financial performance or conduct of network members.**

Poor financial performance by network members will reduce the licence fees that they generate and could sufficiently weaken their financial position so that they delay or even fail to pay the amounts due to the Company.

Poor conduct by network member firms, resulting in legal or regulatory action may cause reputational damage to the DSW or DR Solicitors brands and impair the ability of all Network member firms to win business and thereby impact adversely their financial performance.

Through providing accounting and financial support to our network member firms we maintain a clear view of our members' financial performance and are well placed to provide advice and assistance on a timely basis where appropriate.

The Group is committed to supporting network member firms, and provides:

- A comprehensive compliance manual that offers guidance, standard documentation, and checklists to assist with the maintenance of quality assurance in service delivery and appropriate ethical and business standards in accordance with ICAEW (and other) rules and regulations.
- A training platform with a wide-ranging library of e-learning modules covering legal and regulatory topics.
- Tailored risk management workshops, to help identify business specific risks and mitigations.
- A 'code of conduct' and values framework which set the tone from the top and are fundamental to the culture at DSW.

All partners are required to complete annual partner attestations which remind them of the values and behaviours we expect all our partners to uphold, and also to provide confirmation that they remain compliant with all legal & regulatory requirements and also our Network policies.

In addition, for our legal consultants, we assume the compliance burden associated with Solicitors Regulation Authority ('SRA') requirements, ensuring that all regulatory obligations are met, enabling consultants to focus on delivering high-quality legal services.

**Failure or interruption of IT systems.**

The Group and its Network rely heavily on robust IT and communication systems to support day-to-day operations and deliver services to clients. A significant failure or disruption—whether due to system malfunction, cyber-attack, data breach, AI-related vulnerabilities, or malicious software—could severely impact operational continuity, client service delivery, and data integrity. Such incidents carry the potential for both financial loss and reputational harm.

The risk of cyber-attacks continues to escalate across the professional services and legal sectors, with increasing sophistication in hacking techniques and ransomware threats. Our primary concern lies in the potential compromise of IT systems, which could jeopardise the confidentiality of sensitive client data and expose the Group to extortion attempts and regulatory penalties.

We continue to invest in additional senior IT resource to help shape and implement our IT Strategy and provide industry leading expert advice to the Board. Our key focus areas include continuing investment in Cyber Security, maintaining excellent IT Service & Security levels and providing a platform for future innovation.

The Group's IT and communications infrastructure uses secure cloud-based systems that are encrypted from end-to-end and can be accessed by staff and network member firms from any location at any time and therefore the risk of significant disruption and outages are minimised as far as possible.

All individuals and network member firms are provided with ongoing training in cyber security and data protection to raise and maintain their awareness of the risks posed by malicious actors.

In May 2025, the Board received external cybersecurity training to enhance its understanding of digital risk and resilience.

## RISK MANAGEMENT

## Risk

In the event of a data breach, the Group could face legal liability under data protection legislation, including the UK GDPR, and suffer a loss of client trust and goodwill. The reputational damage from such an incident could have long-term consequences for the business.

### **Failure to act in accordance with public policy, regulations, laws, taxation or accounting standards.**

The professional services and legal sectors are heavily regulated, and the Group is required to comply with rules imposed by the Solicitors Regulation Authority ('SRA'), Information Commissioners Office ('ICO'), and AIM amongst others. Non-compliance with any regulations could result in reputational damage to the business, financial loss through fines or legal costs, operational disruption due to regulatory intervention and increased scrutiny from regulators and investors.

## Mitigation

Anti-virus and firewall software is installed across the Network to protect against cyber-attacks, and disaster recovery and business continuity procedures are monitored and updated regularly.

IT updates are captured in a dashboard which is presented and discussed at each Board meeting.

The Board is supported through regular access to the Company's corporate advisers, including its nominated adviser, legal counsel, and external auditors. The Board also receives annual briefings on key regulatory frameworks such as the AIM Rules for Companies and the Market Abuse Regulation (MAR), helping to ensure that Board members remain fully informed of their responsibilities.

Ongoing compliance support is provided to all partners across the DSW Network, including the delivery of Risk Management Workshops and monthly regulatory updates that highlight recent changes and emerging issues. The Group's financial statements are subject to an annual external audit, providing an additional layer of assurance.

The Group has invested in automated Anti-Money Laundering (AML) software to streamline Know Your Customer (KYC) processes and ensure alignment with the latest regulatory requirements.

Within DR Solicitors, the roles of Compliance Officer for Legal Practice (COLP) and Compliance Officer for Finance and Administration (COFA) are held by senior, experienced professionals. These roles are subject to annual external audit by the SRA, reinforcing the Group's commitment to high standards of legal and regulatory compliance.

The Board is kept informed of all material regulatory developments and any reassessment of risk to the business. This ensures that regulatory considerations are fully integrated into strategic and operational decision-making processes.

## RISK MANAGEMENT

## Risk

## Mitigation

**Emerging Geopolitical and Economic Risks.**

The Group is exposed to the potential impact of geopolitical instability and macroeconomic volatility, including but not limited to global conflicts, trade tensions, inflationary pressures, interest rate fluctuations, and changes in fiscal or monetary policy. These external factors require close monitoring to identify potential risk to the Group as they can influence client confidence, deal flow, and overall market activity, particularly in the corporate finance and advisory sectors.

While these risks are largely outside the Group's direct control, their potential to affect business performance, strategic planning, and investor sentiment is significant.

The acquisition of DR Solicitors has strengthened the Group's presence in non-M&A service lines, reducing reliance on M&A-related income to 55% of total income in FY25 (down from 68% in FY24).

The operational model of the DSW Network provides member firms with significant flexibility and low fixed cost bases. This enables them to adapt quickly to changing market conditions and maintain profitability even during periods of economic downturn.

In response to increasing geopolitical risk, the Group provides regular updates to all Network partners on sanctioned individuals and entities. Ongoing monitoring ensures that engagement with such parties is avoided, supporting compliance with international sanctions regimes and protecting the Group from reputational and legal exposure.

The Strategic Report, which includes the Business Model and Strategy, Chair's Statement, the Chief Executive Officer's Review, the Chief Financial and Operating Officer's Review and the principal risks and uncertainties, was approved by the Board and signed on its behalf by:


**Shru Morris**

Chief Executive Officer

7 July 2025

# BOARD OF DIRECTORS



## Heather Lauder

Independent Non-Executive Chair

### Date of appointment

February 2020

### Experience

Heather was appointed as Non-Executive Chair in December 2021, prior to that she was Non-Executive Director since February 2020. Heather has over 35 years' experience in Board and Executive level business and retail banking roles in a number of organisations including Co-op, Tesco, Virgin, Northern Rock and NatWest Banks where she was focused latterly on wholesale transformation. Over the last 8 years she has held a number of Non-Executive Director roles at Zurich Assurance, Legal and General Finance Plc, The Financial Ombudsman Service and the National Museums and Galleries of Liverpool. During her career, Heather has won multiple awards including Northern Power Women's Top 50 Power List.

### External appointments

- Non-Executive Director on Board, Remuneration & Nominations committee, and Risk & Audit committee for Zurich Assurance Ltd
- Non-Executive Director on Independent Governance committee for Workplace Pension contracts for Legal & General Finance plc

### Committee memberships



## Shru Morris

Chief Executive Officer

### Date of appointment

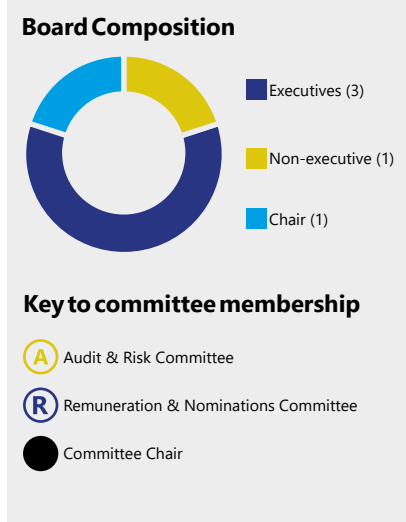
April 2025

### Experience

Shru is a qualified accountant, having spent eight years at Bowmans and Baker Tilly (now part of RSM) at the start of her career. She spent seven years at the law firm Napthens, joining as FD in 2014 before being appointed CEO in 2017. During her tenure, she was responsible for setting the firm's overall growth strategy, helping to increase revenue and profitability, strategic recruitment, increasing the firm's profile nationally and expanding the firm's services both organically and through acquisitions. Most recently, Shru was CFO at Pick Everard, a national multi-disciplinary consultancy working within the property, infrastructure and construction industry, where she was responsible for working with stakeholders across the group to drive change, business performance, and financial governance. As CEO of DSW Capital, Shru's role is to lead in the growth, leadership and future development of the Group.

### External appointments

- None



## BOARD OF DIRECTORS



### James Dow

Founder, Executive Director

#### Date of appointment

Established Dow Schofield Watts in 2002

#### Experience

James is a Chartered Accountant who began his professional services career in 1983 at KPMG. After 8 years as a corporate finance advisory partner he left to establish Dow Schofield Watts in 2002. James led DSW Capital from its inception, through the introduction to AIM in December 2021 and remained as CEO until April 2025. He is also Chair of licensee, PHD Industrial Holdings Limited, and has established two private equity funds on behalf of PHD. He is involved in attracting new businesses and partners to the Network and providing strategic counsel to the management team.

#### External appointments

- None



### Pete Fendall

Chief Finance & Operating Officer

#### Date of appointment

November 2024

#### Experience

Pete is a Chartered Accountant who previously spent eight years at Deloitte in the North West Audit & Assurance team, working on large and complex audit engagements whilst also being actively involved in Accounting Advisory and Reporting Accountant projects. He joined DSW in September 2021 to help deliver the IPO and, since then, has led several initiatives to enhance the Group's unique licensee platform model and actively engages with licensees to help them identify ways in which DSW can add value and support their growth ambitions. His most recent projects include the development of the Group's ESG strategy and recruiting new teams and individuals into the DSW Network.

#### External appointments

- Non-Executive Director of the Liverpool Institute of Performing Arts



### Jill Jones

Independent Non-Executive Director

#### Date of appointment

January 2021

#### Experience

Jill is a Chartered Accountant, with over 30 years' experience in the accountancy profession, having qualified with Deloitte, Haskins & Sells. She retired from RSM in 2020 where she was a main board director and acting COO and, since 2013, the North West Regional Managing Partner and National Management Team member. Jill is well known and highly regarded within the professional services sector and the North West business community.

#### External appointments

- Non-executive Director of Cynergy Business Finance Limited
- Non-executive Director and Trustee of The Liverpool and Merseyside Theatres Trust Limited
- Non-executive Director and Trustee of Local Solutions
- Governor of Coleg Cambria
- Member of Cheshire and Warrington Business Advisory Board
- Trustee of Charities Trust
- Co-opted member of the Audit Committee of Chester Race Company Limited
- Director of RHDJ Properties Limited
- Ambassador for The Hive, Wirral Youth Zone

#### Committee memberships



# CORPORATE GOVERNANCE STATEMENT

## Introduction

The Directors acknowledge the importance of high standards of corporate governance. The Directors have decided to apply the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") which adopts a proportionate, principles-based approach to corporate governance. The Directors believe the QCA Code provides the best fit for the Group by setting out a standard best practice for small and mid-sized companies, particularly those on AIM. Set out below are the key principles adopted by the Board in order to comply with the QCA Code.

### **Principle 1: Establish a purpose, strategy and business model which promote long-term value for shareholders**

DSW's purpose is 'to empower our people to reach their potential and develop sustainable businesses which best serve the needs of their clients and local communities'. To achieve this, DSW continually challenges itself to evolve and improve, ensuring that its partners and their teams are equipped to deliver excellence.

The Group operates a robust and scalable platform underpinned by a capital-light, cash-generative model with recurring revenues. This challenger model supports service line expansion and long-term value creation. Further details on our strategy and business model, together with details of key challenges in execution, are provided on pages 4-9.

The DSW Network is designed to appeal to professionals seeking greater flexibility, autonomy, and a business model free from traditional constraints such as billing targets or capital investment requirements. This approach attracts entrepreneurial talent and supports the Group's growth ambitions. More information on the benefits to DSW Capital, its licensees and its consultants can be found on pages 10-11.

The Board recognises that the accounting and advisory sector is undergoing significant transformation, presenting opportunities for disruption and acquisitive growth. DSW is well-positioned to capitalise on this, targeting strategic acquisitions that align with its long-term vision. A comprehensive overview of our strategy is available on pages 4-5.

DSW Capital PLC's vision is to empower pioneers to establish and grow their own businesses. Our mission is to build a leading business advisory group run by entrepreneurs, for entrepreneurs. The Group aims to scale its agile model through a combination of organic growth, strategic collaborations, and acquisitions. The Directors are focused on high-margin, complementary niche service lines that offer strong synergies with the existing Network.

Investment in talent remains a priority, with a proactive recruitment strategy designed to attract high-calibre partners, employees and consultants, particularly in light of evolving market dynamics.

### **Principle 2: Promote a corporate culture that is based on ethical values and behaviours**

DSW Capital recognises that a strong and consistent corporate culture is fundamental to achieving long-term, sustainable success. The Group is committed to upholding high ethical standards and fostering behaviours that reflect its core values across all levels of the organisation.

The Board actively promotes a culture rooted in integrity, honesty, trust, and mutual respect. All individuals within DSW Capital and the wider Group are expected to conduct themselves ethically in both internal operations and external engagements.

This culture is reinforced through a comprehensive suite of policies and procedures, including a Code of Conduct, whistleblowing policy and anti-bribery and corruption policy. These frameworks are designed to support ethical decision-making and responsible behaviour. A confidential and secure whistleblowing mechanism is in place, enabling employees to report concerns without fear of reprisal.

To ensure continued alignment with these values, regular training is provided to all employees, reinforcing the importance of ethical conduct and compliance with Group policies.

The Board takes full responsibility for the promotion of ethical values and behaviour throughout the Group. It ensures that ethical considerations are integral to the Group's strategic direction and day-to-day operations. The tone is set from the top, with culture and values forming a regular part of Board discussions and decision-making processes.

### **Principle 3: Seek to understand and meet shareholder needs and expectations**

DSW Capital is committed to maintaining transparent and constructive engagement with its shareholders to ensure their views, expectations, and concerns are understood and considered in the Group's strategic decision-making.

The Board actively promotes open and ongoing dialogue with shareholders throughout the year. This includes responding to meeting requests and ensuring that shareholders have direct access to senior management when appropriate. The Group's Annual and Interim Reports serve as key communication tools, providing clear and comprehensive updates on strategy, financial performance, and risk management.

## CORPORATE GOVERNANCE STATEMENT

In addition to formal reporting, DSW hosts virtual investor presentations bi-annually, aligned with its reporting calendar. These sessions offer shareholders the opportunity to engage directly with the Board, ask questions, and gain deeper insight into the Group's performance and future plans.

Regulatory announcements and updates are issued via RNS as required, ensuring shareholders receive timely and accurate information in line with best practice and regulatory obligations.

The Board encourages all shareholders to attend the Annual General Meeting (AGM), which provides a further opportunity for engagement and dialogue. Details of the AGM are communicated through the usual channels and are also made available on the Group's website.

Contact information for shareholder communications is available in the 'Investors' section of the Company's website at [www.dswcapital.com](http://www.dswcapital.com), where shareholders can also access key documents and updates.

Details of the Group's ESG standards and reporting are set out in our ESG report on pages 30-34 of this report, which set out the quantitative and qualitative reporting of the Group's environmental and social matters.

**Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success**

DSW Capital recognises the importance of maintaining strong and constructive relationships with a broad range of stakeholders—including shareholders, employees, and corporate partners—as a core component of its business strategy and long-term success.

The Group takes its corporate social responsibilities seriously and is committed to fostering a culture of accountability, sustainability, and inclusivity. To support this, DSW has established an Environmental, Social and Governance (ESG) Committee, comprising volunteer partners and employees from across the Group. This Committee plays a key role in shaping and advancing the Group's ESG agenda. Recognising that stakeholder feedback is vital to effective governance and continuous improvement, the ESG Committee regularly seeks input from employees to ensure that initiatives reflect their priorities, needs, and interests. This inclusive approach helps to embed ESG considerations into the Group's culture and decision-making processes.

Further details on the Group's ESG initiatives, KPIs and performance can be found in the Environmental, Social and Governance Report on pages 30-34.

**Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation**

The Board is responsible for identifying, assessing, and managing the principal risks facing the Group. It ensures that appropriate systems and controls are in place to support effective risk management and to safeguard the long-term interests of shareholders and stakeholders.

To ensure emerging risks are identified and addressed in a timely manner, the executive team holds quarterly risk meetings. A comprehensive risk register is maintained and regularly reviewed by the Audit & Risk Committee, with updates reported to the Board. This process enables the Group to remain agile and responsive to both internal and external developments.

Details of the Group's risk management framework, key risks, and the associated monitoring and mitigation strategies are outlined on pages 35-38 of this report.

The Group maintains an assurance discipline to strengthen policy compliance. This initiative provides the Board with confidence that internal policies are being followed and that controls are operating effectively. Each assurance review results in a formal report, which is considered by the Audit & Risk Committee and subsequently reported to the Board.

The Audit & Risk Committee also monitors the independence and effectiveness of the external auditor. During the year, the Committee reviewed the performance of BDO and confirmed its satisfaction with the auditor's independence, objectivity, and effectiveness.

**Principle 6: Establish and maintain the Board as a well-functioning, balanced team led by the Chair**

The Board of DSW Capital is structured to ensure a balanced mix of skills, experience, and perspectives, with a combination of Executive and Non-Executive Directors. The Board currently includes two independent Non-Executive Directors—Heather Lauder and Jillian Jones—who were appointed to bring independent judgement, sector expertise, and constructive challenge to Board discussions.

While the Group has two independent Non-Executive Directors, this does not comprise at least half of the Board. However, the Board is confident that both individuals provide a strong and effective independent voice. They act as a valuable sounding board for the Executive Directors



## CORPORATE GOVERNANCE STATEMENT

and offer mutual support to one another, ensuring their views carry appropriate weight in Board deliberations.

Both independent Non-Executive Directors are active participants in Board meetings, demonstrating the confidence and integrity required to challenge constructively and seek full and transparent responses to their questions. Further details on the composition and experience of the Board can be found on pages 39-40.

The Board is supported by two formally constituted committees: the Audit & Risk Committee and the Remuneration & Nominations Committee. Each committee comprises a majority of independent Non-Executive Directors. During the year, the Audit & Risk Committee met three times and the Remuneration & Nominations Committee met three times, with both independent NEDs in attendance at all meetings. Details of the roles, responsibilities, and activities of these committees are provided on pages 45-49 of this report.

In line with best practice, shareholders are invited to vote annually on the (re-)election of each individual Director at the Annual General Meeting.

**Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities.**

The Non-Executive Chair leads the Board and is responsible for ensuring the effectiveness of its governance structures, performance, and overall operation. The Board is supplied with high-quality, timely information to support informed decision-making and effective oversight.

The Board retains ultimate accountability for the Group's governance and is responsible for monitoring the performance of the executive team. While the Executive Directors focus on the day-to-day operation of the business and delivery of strategic objectives, the Non-Executive Directors provide independent oversight, challenge, and objective judgement.

The Board operates in a collaborative and balanced manner, with no single individual dominating discussions or decision-making. All Directors are encouraged to challenge assumptions, scrutinise proposals, and contribute to strategic debate. Decisions are made collectively and democratically.

Directors have access to the Company's corporate advisers—including its nominated adviser, legal counsel, and auditors—as needed. They also receive annual briefings on regulatory compliance, including the AIM Rules for Companies and the Market Abuse Regulation (MAR), to ensure they remain informed of their responsibilities.

The Board is supported by two key committees: the Audit & Risk Committee and the Remuneration & Nominations Committee. Certain material matters are reserved for full Board consideration, while the committees are empowered to act within their delegated responsibilities. Each committee has access to relevant information and external advice to fulfil its duties.

The Board comprises individuals with a strong and complementary mix of skills and experience, including expertise in mergers and acquisitions, capital markets, and governance. Director biographies, including details of their backgrounds and capabilities, are available on pages 39-40 of this report and on the Company's website. The Directors keep their skillsets up to date with regular training provided both by the Group, and through external providers. In May 2025, the Board received dedicated cybersecurity training to enhance its understanding of digital risk and resilience. This training forms part of the Group's ongoing commitment to ensuring that Directors remain equipped to oversee key areas of risk in an evolving threat landscape.

To ensure continued effectiveness, the Board reviews both its governance framework and its own performance on an annual basis. This process helps ensure that the Board, both individually and collectively, maintains the necessary skills, experience, and insight to fulfil its duties and that the governance framework remains fit for purpose as the business evolves.

**Principle 8: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

The Board regularly evaluates its own effectiveness, as well as that of its committees—the Audit & Risk Committee and the Remuneration & Nominations Committee—and the individual performance of each Director. These evaluations are designed to ensure that the Board continues to operate effectively and that each member contributes meaningfully to the Group's strategic direction and governance.

The Remuneration & Nominations Committee undertakes periodic assessments of each Director's individual contribution, ensuring that their involvement remains relevant, effective, and aligned with the Group's evolving needs.

During the year, the Board conducted an internal review of its effectiveness and collective skillset. This review aimed to identify areas for improvement and inform future training and development priorities. The findings have helped shape ongoing efforts to strengthen Board performance and ensure that Directors are equipped to meet the demands of a dynamic business environment.

## CORPORATE GOVERNANCE STATEMENT

An external review of Board effectiveness was last conducted in December 2021 as part of the IPO process. While no specific concerns were identified, the review reinforced the Board's commitment to robust risk oversight and continuous improvement. A further external review of the Board's effectiveness is scheduled to take place during the financial year ending 31 March 2026. The outcomes of this review will be disclosed in the relevant Corporate Governance Statement within the Annual Report for that year.

The Remuneration & Nominations Committee is responsible for the consideration of, and the formulation of plans for, succession planning for directors and other senior executives.

**Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy, and culture**

The Remuneration & Nominations Committee is responsible for reviewing the performance of the Executive Directors and senior management, and for making recommendations to the Board on matters relating to their remuneration.

DSW Capital's approach to remuneration is designed to align the interests of management with those of shareholders. The Group's remuneration policy aims to attract, retain, and motivate high-calibre individuals with the technical expertise and strategic insight necessary to drive long-term value creation.

Remuneration packages are structured to ensure that key personnel are incentivised in a manner that supports the delivery of the Group's long-term growth objectives. This alignment reinforces a performance-driven culture that underpins the Group's strategic goals and supports sustainable success.

**Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

This report, together with the Company's responses to the principles of the QCA Corporate Governance Code, provides stakeholders with a clear view of how DSW Capital is governed and how it is progressing against its strategic objectives.

The report of the Remuneration & Nominations Committee is set out at pages 47-49 of this report, and the report of the Audit and Risk Committee is set out at pages 45-46.

The Group's Annual Report and Accounts, along with its Half-Year Report, serve as key communication tools for informing stakeholders about governance practices, financial performance, and strategic developments. The Board also views the Annual General Meeting (AGM) as an important opportunity to engage directly with shareholders—providing updates, answering questions, and receiving feedback on the Group's performance and direction.

In addition, the Company's website is regularly updated with relevant information on the Group's activities, financial results, governance disclosures, and strategic progress. Shareholders and other stakeholders can access this information, along with Company's annual report and accounts, investor presentations and notice of general meetings on the Company's website [www.dswcapital.com](http://www.dswcapital.com).

# AUDIT & RISK COMMITTEE REPORT

## Overview

The role of the Audit and Risk Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- the integrity of the financial and narrative statements and other financial information provided to shareholders;
- the Group's system of internal controls and risk management;
- the audit process and auditors;
- the processes for compliance with laws, regulations, and ethical codes of practice;
- the impact of any new regulatory standards with regards to DR Solicitors;
- the Group's attitude to and appetite for risk and its future risk strategy; and
- how risk is reported internally and externally.

## Composition and experience of the Audit and Risk Committee

The members of the Audit and Risk Committee are: Jillian Jones (Chair) and Heather Lauder.

The Audit and Risk Committee has two members, both of whom are independent Non-Executive Directors with considerable industry experience in senior financial and operational roles and are therefore regarded as having recent and relevant experience. Jillian Jones is a Fellow of the Institute of Chartered Accounts in England and Wales.

The Chief Executive Officer and Chief Finance and Operating Officer are also invited to attend meetings as considered appropriate, and the Company Secretary is available to members of the Committee to advise and assist them.

Additionally, the Committee has the opportunity to hold private meetings with the Group's external auditors without the presence of management as it considers necessary. The Committee can also call any employee, contractor or consultant as necessary to fulfil the Committee's obligations. During the year, the Committee received monthly specialist reports on IT Risk for consideration.

The Audit and Risk Committee met on three occasions during the year to 31 March 2025 with both members present at all meetings.

## Annual report and accounts

The Audit & Risk Committee has reviewed the Group's annual financial statements for the year and is satisfied that they present a fair, balanced, and understandable view of

the Group's performance, strategy, business model, and financial position as at 31 March 2025. The Committee has advised the Board accordingly.

In forming this view, the Committee considered all significant accounting judgements and estimates made in the preparation of the financial statements. These included the recoverability of trade receivables, the valuation of share-based payment expenses, and acquisition accounting. The Committee reviewed detailed reports prepared by the Chief Finance and Operating Officer and accepted their recommendations. These reports were also reviewed and audited by the Group's external auditors, BDO.

There are no significant IFRSs yet to be adopted that the Committee expects to be relevant or have a significant impact on the financial statements. IFRS 18 (Presentation and Disclosure in Financial Statements) will be effective for annual reporting periods beginning on or after 1 January 2027.

## Acquisition Accounting

During the year, the Group completed the acquisition of DR Solicitors. Accounting for this acquisition required careful consideration of several complex areas, including the allocation of the purchase price, the assessment of any necessary fair value adjustments, and the identification and valuation of intangible assets arising from the transaction. The valuation of these intangible assets—recognised in accordance with IAS 38 Intangible Assets—was based on a number of key estimates, including long-term revenue growth projections, business performance assumptions, and the applicable discount rate. The Committee reviewed management's approach to the accounting treatment of goodwill and intangible assets and is satisfied that the methodology applied is appropriate and that the resulting disclosures fairly represent the underlying transaction.

## Internal controls and risk management

The Group's systems of internal control and risk management are the ultimate responsibility of the Board, which sets and reviews appropriate policies following advice and recommendations from the Committee. The Group's management are delegated the tasks of implementing and maintaining the systems in accordance with those policies and identifying, evaluating, managing, and reporting risk and control issues.

The Group follows an annual budgeting process that sets key performance targets for DSW that are approved by the Board. Performance against the budget is regularly reviewed and variances investigated and acted upon by both the Board and the Group's management team.

## AUDIT &amp; RISK COMMITTEE REPORT

The Group's Risk Management Framework provides clarity on the expectations of the Group to achieve compliance. During the prior year, an assurance programme was established to ensure that the newly-implemented policies and procedures are being complied with. During the current year, the Committee identified no areas of non-compliance. Supporting the DSW Network in meeting their risk and compliance obligations has remained a key priority throughout the year. Targeted interventions—such as Compliance Inductions and Risk Management Workshops for newly established licensee businesses—have been positively received. Notably, a dedicated Risk Management Workshop was held with DR Solicitors following their acquisition, ensuring alignment with DSW's risk framework and the establishment of a register of principal risks relevant to their operations.

The Group maintains a comprehensive risk register that identifies and monitors the principal risks it faces, along with associated mitigation strategies. This register is reviewed and updated quarterly by senior management, including the Chief Executive Officer and Chief Finance and Operating Officer. The updated register is then presented to the Audit & Risk Committee for review, challenge, and oversight.

The Committee plays an advisory role to the Board, ensuring that the principal risks facing the Group are clearly understood and appropriately managed. A detailed overview of these risks and the corresponding mitigation measures is provided in the Risk Management section of this report on pages 35-38.

The Audit & Risk Committee has concluded that effective risk management processes and internal controls have been in place and operating soundly throughout the reporting period.

### External audit process

The Audit and Risk Committee has responsibility for the recommendation for re-appointment and deciding the remuneration of the Group's external auditors and satisfying itself that they maintain their independence regardless of any non-audit work performed by them.

BDO prepared a plan for its audit of the annual financial statements which was presented to the Committee before the commencement of the audit. The plan set out the scope of the audit, areas of perceived significant risk and where work was to be focused, and the audit timetable. This plan was agreed by the Committee before any detailed audit work was carried out. Following the audit, BDO presented its findings to the Committee for discussion. No major areas of concern were identified by BDO during the year.

During the year, the Audit & Risk Committee reviewed the performance, independence, and effectiveness of the external auditors, BDO LLP, in line with its responsibilities. While the Committee acknowledges the quality of the audit work performed during the year, it has not yet reached a final decision regarding the recommendation for reappointment of the external auditors for the next financial year.

The Committee is currently considering a range of factors, including audit quality, independence, value for money, and the evolving needs of the Group as it grows. As part of this process, the Committee may explore alternative audit providers to ensure the Group continues to receive a high standard of external assurance. A final recommendation will be made to the Board in due course and communicated to shareholders ahead of the Annual General Meeting.

### Internal audit function

Given the Group's size and complexity, the Board does not consider it necessary to have an internal audit function at this time as management is able to derive sufficient assurance as to the adequacy and effectiveness of the internal controls and risk management procedures without a formal internal audit function. The Group maintains an assurance discipline to policy compliance to ensure that defined requirements are being adhered to and the existing policies are being complied with. During the year, the Committee identified no areas of non-compliance. The position on Assurance and Internal Audit will be reviewed annually.

# REMUNERATION & NOMINATIONS COMMITTEE REPORT

## Overview

The Remuneration and Nominations Committee reviews the performance of the Executive Directors and senior management of the Group and make recommendations to the Board on matters relating to their remuneration and terms of service. The Committee also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option schemes or equity incentive plans in operation for the time being. The Committee leads the process for Board appointments and makes recommendations to the Board. The Committee evaluates the balance of skills, experience, independence and knowledge on the Board and, in light of this evaluation, prepares a description of the role and capabilities required for a particular appointment.

In exercising this role, the members of the Remuneration and Nominations Committee have regard to the recommendations put forward in the QCA Code and, where appropriate, associated guidance. The remuneration of Non-Executive Directors (other than the Chair of the Board) is a matter for the Chair and the executive members of the Board.

## Composition and meetings

The current members of the Remuneration and Nominations Committee are:

Heather Lauder (Chair)

Jillian Jones

The Remuneration and Nominations Committee meets as and when necessary, but at least twice each year. During the year the committee met three times.

## Remuneration policy

The Group's approach to remuneration is focused on ensuring that the Group's remuneration policy is aligned with shareholders' interests and the overall package should be sufficiently attractive to recruit, motivate and retain individuals of a high calibre with significant technical and strategic expertise. The remuneration policy ensures that key personnel are incentivised and rewarded in a way that is aligned to delivery of the Group's long term growth objectives which in turn achieves a Group culture that supports our strategic goals.

## Key Activities

During the year, the Committee:

- Oversaw the recruitment of Shrutisha Morris, Deputy CEO following the resignation of Nicole Burstow.
- Reviewed the remuneration arrangements for the Executive Directors and senior management team, obtaining independent sources to provide the latest benchmarking information.
- Conducted an internal review of the skills and experience of the Board members, which led to additional Cyber Training being rolled out in May 2025 to the Board.
- Considered which members of the senior management team qualify for LTIPs in the current year
- Assessed the level of performance achieved versus the performance criteria of the FY25 Executive Bonus scheme.

## REMUNERATION &amp; NOMINATIONS COMMITTEE REPORT

**Directors' remuneration summary**

The remuneration of the Directors is set out in the table below:

£'000	Salary & Fees	Social Security	Pension Contributions	Total 2025	Total 2024
Heather Lauder	53	6	-	59	59
James Dow	219	23	-	242	255
Jillian Jones	38	4	-	42	42
Shru Morris	140	15	1	156	-
Pete Fendall	140	15	1	156	-
Jonathan Schofield	22	2	-	24	42
Nicole Burstow	24	3	-	27	210
	<b>636</b>	<b>68</b>	<b>2</b>	<b>706</b>	<b>608</b>

On 17 May 2024, Nicole Burstow resigned from her position as Deputy CEO and Chief Financial Officer.

Pete Fendall, the Group's Chief Operating Officer and Interim Chief Finance Officer was appointed as Chief Finance and Operating Officer on 25 November 2024, having first joined the Board on 2 April 2024 when he was appointed Chief Operating Officer.

Shrutisha Morris joined the DSW Capital Board as Deputy CEO on 5 August 2024 and was appointed as CEO Designate on 25 November 2024.

On 1 April 2025, Shru Morris succeeded James Dow as Chief Executive Officer.

**Long term incentive plan***PSP Award*

Following admission to the AIM market, the Group adopted the Performance Share Plan ("PSP"), to align the interests of Executive Directors and key employees with those of the shareholders. The PSP is a long-term incentive plan which forms the primary long-term incentive arrangement for the Executive Directors. The Remuneration and Nominations Committee will consider the granting of PSP awards to the Participants on an annual basis.

Annual awards under the PSP are determined by reference to a number of Shares equal in value to a maximum of 200% of base salary of Participants. The PSP awards will normally vest after three years (subject to the satisfaction of the performance conditions) and there will be a further 24 month holding period after vesting before Participants are able to sell any Shares.

Challenging performance conditions are set for each award under the PSP. For the first awards, the Remuneration and Nominations Committee intends that the awards will vest based on relative Total Shareholder Return ("TSR") targets against an applicable comparator group. PSP awards will be subject to malus and clawback provisions.

The following table shows the PSP Awards held by Directors:

	2025	2024
James Dow	563,509	274,962
Shru Morris	179,551	-
Pete Fendall	279,369	65,694
<b>Total</b>	<b>1,022,429</b>	<b>340,656</b>

PSP awards which were granted to James Dow in FY22 lapsed in the current year.

See Note 26 for further details.

## REMUNERATION &amp; NOMINATIONS COMMITTEE REPORT

**Directors' interests in shares**

According to the register of Directors' interests maintained under the Companies Act, the following interests in shares of Group companies were held by the Directors in office at the year-end:

	2025		2024	
	Number	% of issued shares	Number	% of issued shares
James Dow	4,140,827*	16.5%	3,547,127	16.2%
Shru Morris	-*	-	-	-
Pete Fendall	10,962*	0.04%	10,962	0.04%
Heather Lauder	38,739	0.2%	38,739	0.2%
Jillian Jones	56,639	0.2%	56,639	0.3%

The shares held by Pete Fendall and Heather Lauder shown in the table above, were awarded as part of the Growth Share scheme set out in note 26 of the financial statements. 37,369 of the shares held by Jillian Jones were awarded as part of the Growth Share scheme set out in note 26 of the financial statements.

*\*James Dow, Shru Morris and Pete Fendall hold additional shares in respect of PSP awards. Further details can be found in note 26 of the financial statements*

# DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2025. The Corporate Governance Statement set out on pages 41 to 44 forms part of this report.

## Principal activities and Business Review

The principal activity of the Group is the licensing of the Dow Schofield Watts brand and associated brand names for use in the professional services sector, whilst providing legal services under the DR Solicitors brand name. The results for the year and the financial position of the Group are as shown in the annexed financial statements.

There were no significant events since the balance sheet date. An indication of likely future developments in the business of the Group are included in the Strategic Report and Chief Executive Officer's Review.

Information about the use of financial instruments by the Group is given in note 28 to the financial statements.

## Results and dividends

The Group recorded revenue in the year of £4.9m (2024: £2.3m) and profit after tax of £1.0m (2024: £0.1m). An interim dividend of 1.0 pence per fully paid ordinary share was paid on 10 January 2025. The Directors propose a final dividend for the year ended 31 March 2025 of 2.0 pence per share, subject to the approval at the Annual General Meeting on 16 September 2025.

## Financial risk management

Financial risk is managed by the Board on an ongoing basis. Information relating to the principal risks and uncertainties of the Group has been included on pages 35-38. Further information relating to the financial risk of the Group has been included within note 28 of the financial statements.

## Going concern

In considering the appropriateness of the going concern basis of preparation, the Directors have considered the cash balance and the forecasts for the next twelve months following the date of this report, which includes detailed cash flow forecasts and working capital availability. These forecasts show that sufficient resources remain available to the business for the foreseeable future in order to meet its operational and financial obligations as they fall due.

The Group has a cash balance of £2.7m, and operates a model which is strongly cash generative with a limited fixed cost base. At 31 March 2025, the Group has net assets of £10.0m (2024: £7.6m) and net current assets of £3.8m (2024: £4.3m) which reflects the strong financial position for the Group. In addition, the Group is profitable with profit after tax of £1.0m in the year ended 31 March 2025.

The Group has prepared detailed cash flow forecasts and stress-tested various scenarios, all of which indicate that the Group will maintain adequate liquidity throughout the forecast period. Furthermore, the Group remains in full compliance with all financial covenants associated with its borrowing facilities which include both a gross leverage and interest cover tests. Based on current forecasts and financial performance, management expects to continue to meet these covenants for the foreseeable future.

As such, the Group financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

## Share capital and voting

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 24.

The Company has one class of equity share which are 0.25p Ordinary shares. The Ordinary shares have full voting, dividend and capital distribution rights, including on winding up. They are non-redeemable.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of employee share schemes are set out in note 26. Shares held by the DSW Capital Employee Benefit Trust abstain from voting.



## DIRECTORS' REPORT

**Directors and their interests**

The Directors who served throughout the year except where otherwise stated and in place at the date of this report are as follows:

- Heather Lauder
- James Dow
- Jillian Jones
- Pete Fendall (appointed 2 April 2024)
- Shrutisha Morris (appointed 5 August 2024)

Nicole Burstow resigned as a Director on 17 May 2024 and Jonathan Schofield resigned as Director on 29 October 2024.

Pete Fendall, the Group's Chief Operating Officer and Interim Chief Finance Officer was appointed as Chief Finance and Operating Officer on 25 November 2024, having first joined the Board on 2 April 2024.

Shrutisha Morris joined the DSW Capital Board as Deputy CEO on 5 August 2024 and was appointed as CEO Designate on 25 November 2024. Shrutisha succeeded James Dow on 1 April 2025 when he stepped down as CEO. James Dow remains on the Board as Executive Director.

The Board considers that the contribution of each of the Directors is, and continues to be, important to the Company's long-term sustainable success. All Directors, being eligible, are standing for re-election at the next annual general meeting.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the UK Corporate Governance Code, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Main Board Terms of Reference, copies of which are available on request, and the Corporate Governance Statement on pages 41-44.

Directors' remuneration payable in the year ended 31 March 2025 is set out in the Remuneration & Nominations Committee Report. Further details on related party transactions with Directors are provided in note 31 of the Group financial statements.

**Directors' insurance**

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors during the year and remain in force at the date of this report. The Company also maintained Directors' and Officers' Liability Insurance throughout the year.

**Significant shareholdings**

As far as the Directors are aware, the only notifiable holdings equal to or in excess of 3% of the issued ordinary share capital at 1 April 2025 were as shown in the table below:

	<b>No. of Shares</b>	<b>% Shareholding</b>
James Dow & Beverley Dow	4,140,827	16.48%
Nils Christansen & Daphne Robertson	3,204,748	12.75%
Mark Watts & Julie Watts	2,991,360	11.90%
Philip Price & Joanne Price	1,495,680	5.95%
Jonathan Schofield & Fiona Schofield	1,233,600	4.91%
Andrew Dodd & Joanne Dodd	1,120,680	4.46%
Canaccord Genuity Group Inc	808,500	3.22%
Susannah Dow	776,411	3.09%
Adam Dow	773,926	3.08%

## DIRECTORS' REPORT

## Employees

The Group operates an equal opportunities employment policy. The Group's policy on recruitment, development, training, and promotion includes provision to give full and fair consideration to disabled persons, having particular regard to their aptitudes and abilities. The Group appreciates and values the input of all its employees and encourages development and training to enhance employee skills. The Group ensures that employees are aware of any important matters that may impact on the performance of the Group.

DSW Capital implemented a Growth Share Plan in March 2021 for key members of its management team and a number of employees within the licensees from which DSW receives licence fees.

## Political donations

It is the Company's policy not to make political donations. The Directors confirm that no donations for political purposes were made during the year (2024: nil).

## Streamlined Energy and Carbon Reporting ('SECR')

The Group is exempt from streamlined energy and carbon reporting requirements as it is a low energy user consuming less than 40,000 kWh during the reporting period. The Board has elected to make voluntary SECR disclosures as we recognise the important role all businesses have in reducing carbon emissions and increasing energy efficiency.

The release of greenhouse gases ('GHG'), notably carbon dioxide ('CO<sub>2</sub>') generated by burning fossil fuels, has an impact on climate change that, either directly or indirectly, represents considerable risks both to businesses and the planet. The Group continues to monitor and, where practicably possible, reduce its GHG emissions.

The data below has been created using the following scopes:

Scope 1: Direct emissions from company owned and controlled resources, including combustion in owned or controlled boilers; and

Scope 2: Indirect emissions from purchased energy.

The data below shows DSW Capital's and DR Solicitor's energy usage and greenhouse emissions (Scope 1 and 2) from its head offices based in Daresbury and Guildford which represents all GHG emissions and energy consumed by the DSW Capital Group in the UK:

	2025	2024
<b>Energy Consumption</b>		
<i>Scope 1 Emissions:</i>		
Gas kWh	11,566	3,819
<i>Scope 2 Emissions:</i>		
Electricity kWh	9,113	5,612
<b>Total energy used in kWh</b>	<b>20,679</b>	<b>9,431</b>
<b>Carbon Emissions:</b>		
Scope 1 emissions (tCO <sub>2</sub> e)	2.1	0.7
Scope 2 emissions (tCO <sub>2</sub> e)	1.9	1.2
<b>Total Scope 1 &amp; 2 emissions (tCO<sub>2</sub>e)</b>	<b>4.0</b>	<b>1.9</b>
<b>Emissions Intensity Ratios:</b>		
Tonnes CO <sub>2</sub> e – per £m Revenue	<b>0.81</b>	<b>0.77</b>
Tonnes CO <sub>2</sub> e – per Average FTE	<b>0.20</b>	<b>0.18</b>

**DIRECTORS' REPORT****Methodology**

Greenhouse gas emissions are quantified and reported according to the Greenhouse Gas Protocol. Consumption and production data has been collated and converted into CO2 equivalent using the UK Government 2024 Conversion Factors for Company Reporting to calculate emissions from corresponding activity data.

To collect consumption data, the Group has reviewed emissions data related to electricity purchases and fuel purchases. This information has been prepared in accordance with the GHG Protocol's Guidance.

Data collected relates to the most recent 12-month period where data was available. Comparative information has been disclosed. For DR Solicitors, electricity information was only available for the period from November 2023 to September 2024. Management have used the information available to estimate the usage for November 2024 to March 2025.

**Energy efficiency actions**

The Board recognises that Climate Change is one of the most pressing matters facing businesses and the planet today and we believe that every business can and should play a role. DSW Capital is already a low energy user when considering our Scope 1 and Scope 2 emissions, however we recognise that our most significant impact will be when we are able to capture, report and reduce our Scope 3 emissions which will encompass those emissions produced by our licensees.

As part of our ESG strategy, it is our target to begin to collate and monitor our Scope 3 emissions and we will work towards this goal with the broader DSW network.

In the current year our Scope 1 Emissions increased by 178% which is due to estimated meter readings being used for the period from November 2023 to July 2024 by our Energy Supplier leading to a true-up in the current year. We remain committed to reducing our Scope 1 Emissions through tighter controls on our heating, and we will complete a behavioural actions survey to update our local office policies. We will continue to review our energy consumption with the aim of delivering on-going reductions in emissions, particularly with our new Guildford office which has also contributed to the overall increase in Carbon Emissions in FY25.

It is our target to become Carbon Neutral with respect of our Scope 1 & Scope 2 emissions by 2027 with a target of reducing our Scope 1, 2 and 3 emissions to Net Zero by 2030.

To help us achieve our objectives we have identified several initiatives which we have either implemented or are planning on implementing within the next twelve months as part of our ESG strategy. These initiatives include; working with suppliers who share our Net-Zero ambitions, investing in carbon reduction technologies to help us reduce our energy consumption in our head-office and encouraging our people to get involved with local carbon offsetting projects. In the current year we have replaced our CSR committee with an ESG Committee, which ensures all our actions/initiatives align with our ESG Strategy. We have three dedicated Environmental & Social Impact leads who, as well as looking at the way we engage with our local charities and communities, are also overseeing how we continue to make progress against our environmental targets.

Further detail can be found in the ESG report on pages 30-34.

## DIRECTORS' REPORT

### Notice of AGM

The Company's AGM will be held at 09:00am on 16 September 2025 at The Park Royal Hotel, Warrington, WA4 4NS.

### Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Board has not yet determined whether to recommend the reappointment of the external auditor. A final decision will be made in due course and communicated to shareholders ahead of the Annual General Meeting.

### Approval

This report was approved by the Board of Directors on 7 July 2025 and signed on its behalf by:

DSW Capital PLC  
7400 Daresbury Park  
Daresbury  
Warrington  
WA4 4BS

7 July 2025

By order of the Board,



**Shrutisha Morris**  
Chief Executive Officer

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group and company financial statements in accordance with UK adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

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

## **Website publication**

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DSW CAPITAL PLC

## Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of DSW Capital Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2025 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the Company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated and company cash flow statements and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We obtained and reviewed the assumptions in the Directors' going concern assessment covering the period to 31 March 2027, by challenging the Directors on the key assumptions included in the base case forecasts and sensitivity assessments;
- We challenged the key assumptions including licence fee and profit share income from licensees, through consideration of past performance and our knowledge of the industry and the market;
- We compared the forecasts to the Group's post year-end financial information to evaluate the accuracy and reliability of the forecasting process;
- We agreed the opening cash position per the forecasts to supporting documentation;
- We assessed the Group's compliance with financial covenants on its borrowing facility and evaluated forecast covenant compliance to ensure no breaches are expected within the going concern period;
- We assessed the Group's cash flows over the forecast period to determine its ability to maintain adequate working capital levels and support its growth strategies; and
- We assessed the adequacy and consistency of the disclosure within the financial statements relating to the Directors' assessment of the going concern basis of preparation.

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DSW CAPITAL PLC

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

### Overview

	2025	2024
<b>Key audit matters</b>	1. Risk over improper recognition of revenue and application of IFRS 15	✓
	2. Risk over valuation of acquired intangible assets	✓
<b>Materiality</b>	Group financial statements as a whole £66,000 (2024: £38,000) based on 5% of profit before tax (2024: 1.5% of revenue).	

### An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

#### Components in scope

The Group consists of 4 legal entities (DSW Capital Plc, DR Solicitors Limited, DSW Services LLP and DSW Operations Limited). The main trading entities are DSW Capital Plc and DR Solicitors Limited. Revenue generated by DSW Services LLP comprises internal recharges to DSW Capital Plc, and in terms of Group audit, it operates as a cost centre.

The control environment is disaggregated across the Group, as the finance and IT system are not centralised and are located in different locations. DSW Capital Plc and DSW Services LLP share a centralised control environment, finance team, IT system and operate from the same location. However, DR Solicitors Limited has a different finance team, IT system, and is located in a different UK office.

Based on the nature of the entities in the Group, and the processes and controls of the entities, we deemed there to be 3 components in scope.

- DSW Capital Plc
- DR Solicitors Limited
- DSW Services LLP

For these 3 components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- Procedures on the entire financial information of the component, including performing substantive procedures
- Procedures on one or more classes of transactions, account balances or disclosures

#### Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component	Entity	Group Audit Scope
1	DSW Capital Plc	Statutory audit and procedures on the entire financial information of the component.
2	DR Solicitors Limited	Statutory audit and procedures on the entire financial information of the component.
3	DSW Services LLP	Procedures on one or more classes of transactions, account balances or disclosures

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DSW CAPITAL PLC

*Changes from the prior year*

The inclusion of the acquired subsidiary in the Group represents a significant change to the audit scope from the prior year.

*Key audit matters*

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

Key audit matter	How the scope of our audit addressed the key audit matter
<p><b>Risk over improper recognition of revenue and application of IFRS 15</b></p> <p>Refer to "Note 2 – Revenue Recognition" within Accounting Policies and "Note 4 – Revenue" for further details.</p> <p>Revenue for the year amounted to £4,855m.</p> <p>The Group's main revenue sources are licence fees and revenue generated from the provision of legal services.</p> <p>Under IFRS 15 Revenue from Contracts with Customers, revenue is recognised when a performance obligation is satisfied.</p> <p>Licence fee revenue is recognised when the licensee raises an invoice, in line with the contractual terms of the licence agreement. At this point, it is deemed that the Group has met its performance obligation. Since the Group's performance obligation is linked to the licensees' sales and therefore dependent on information obtained from the licensees, the risk of material misstatement is increased.</p> <p>There is risk that fictitious licence fees may be recognised.</p> <p>Legal services revenue is based on hours incurred at a contracted rate. Accrued revenue represents amounts recognised but not yet billed. There is a risk that unpaid revenue could be manipulated through posting of inaccurate journals at year-end.</p> <p>As a result of the above, we considered this to be a key audit matter.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Consideration of the appropriateness of the Group's revenue recognition policy against the requirements of IFRS 15;</li> <li>• Performing analytical reviews on quarterly licence fees and investigating significant fluctuations through inquiry with management and corroborating their explanations to licensee management accounts;</li> <li>• Inspecting a sample of licence fee revenue in the year where unusual fluctuations were noted by matching invoices to bank receipts and other supporting documentation;</li> <li>• Comparison of total actual licence fees to expected amounts, based on fee percentages in the underlying contracts with the licensees and revenue per the licensees' management accounts;</li> <li>• Agreeing a sample of debtors to post year end receipts to check the existence of debtors at year end;</li> <li>• Agreeing a sample of accrued revenue to post year-end sales invoice and receipts to check the existence at year end;</li> <li>• Reviewing post year end nominal ledgers for credit notes to check that there were no reversals of the revenue that was recognised in the 2025 financial year;</li> <li>• Testing journals with unusual revenue combinations that have been processed into the revenue accounts by obtaining corroborative explanations, tracing them to underlying supporting evidence and assessing them for reasonability.</li> </ul> <p><u>Key observations</u></p> <p>Based on the procedures performed, we did not identify any matters to suggest that the recognition of revenue was inappropriate.</p>



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DSW CAPITAL PLC

Key audit matter	How the scope of our audit addressed the key audit matter
<p><b>Risk over valuation of acquired intangible assets</b></p> <p>Refer to "Note 2 – Business Combinations, Intangible assets acquired separately and Goodwill and Intangible assets" within Accounting Policies and "Note 14 – Acquisition of subsidiary company" for further details.</p> <p>The Group acquired DR Solicitors Limited during the year. Accounting for the acquisition involves determining:</p> <ul style="list-style-type: none"> <li>• The fair value allocated to assets and liabilities acquired, including intangible assets: and</li> <li>• The valuation of goodwill.</li> </ul> <p>The calculation of fair values of acquired intangible assets is complex and involves significant estimation and judgement. This led to our assessment of acquisition accounting in accordance with IFRS 3 to be a significant risk of material misstatement.</p> <p>Management engaged a third-party expert to prepare detailed calculations to determine the fair value of the intangible assets acquired and the valuation of goodwill.</p> <p>Given the significant risk of material misstatement identified, the valuation of intangible assets and goodwill was determined to be a key audit matter.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the competence, capability and independence of management's experts;</li> <li>• With support from our internal valuations experts, challenging key inputs, assumptions, and methodology used by management in determining the fair values of intangible assets acquired based on our knowledge of the industry;</li> <li>• With support from our internal valuations experts, we performed a sensitivity analysis to evaluate how changes in key inputs, such as discount rate and terminal growth rate, would affect the valuation conclusions;</li> <li>• Reviewing management's reconciliations and supporting documentation to agree the acquisition net book values of assets and liabilities and resulting fair value adjustments;</li> <li>• Challenging the completeness of intangible assets acquired through inspection of due diligence reports and historical financial reporting information of the acquired entity;</li> <li>• Agreeing the fair value of the purchase consideration to supporting documentation and recalculating the goodwill arising on acquisition;</li> <li>• Assessing the disclosures within the acquisition note for compliance with IFRS3.</li> </ul> <p><u>Key observations</u></p> <p>Based on the procedures performed, we did not identify any matters to suggest that the recognition of revenue was inappropriate.</p>

**Our application of materiality**

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DSW CAPITAL PLC

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

	Group financial statements		Parent company financial statements	
	2025	2024	2025	2024
<b>Materiality</b>	£66,000	£38,000	£51,000	£36,000
<b>Basis for determining materiality</b>	5% of Profit before tax	1.5% of revenue	5% of Profit before tax	1.5% of revenue
<b>Rationale for the benchmark applied</b>	We determined profit before tax to be the appropriate benchmark as the Group returned to profitability, and profit before tax is a key measure of the Group's performance for users of the financial statements.	Due to a decline in profits in the year, we determined revenue to be most appropriate benchmark as it is one of the key metrics of the Group apart from profit before tax. The market for mergers and acquisitions, which forms a significant portion of the company's profits is still characterised by a high level of unpredictability therefore the profit before tax benchmark was not used due to its volatility.	We determined profit before tax to be the appropriate benchmark as the Group returned to profitability, and profit before tax is a key measure of the Group's performance for users of the financial statements.	Due to a decline in profits in the year, we determined revenue to be most appropriate benchmark as it is one of the key metrics of the Group apart from profit before tax. The market for mergers and acquisitions, which forms a significant portion of the company's profits is still characterised by a high level of unpredictability therefore the profit before tax benchmark was not used due to its volatility.
<b>Performance materiality</b>	£49,000	£28,500	£38,000	£27,000
<b>Basis for determining performance materiality</b>	75% of materiality	75% of materiality	75% of materiality	75% of materiality
<b>Rationale for the percentage applied for performance materiality</b>	Based on our risk assessment and consideration of the control environment.	Based on our risk assessment and consideration of the control environment.	Based on our risk assessment and consideration of the control environment.	Based on our risk assessment and consideration of the control environment.

### Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group (apart from the Parent Company whose materiality and performance materiality are set out above) based on a percentage of 62% of Group performance materiality dependent on a number of factors including the history of misstatements, aggregation risk and our assessment of the risk of material misstatement of those components. Component performance materiality was £30,319.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DSW CAPITAL PLC

*Reporting threshold*

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £3,000 (2024: £2,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

**Other information**

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

We have nothing to report in this regard.

**Other Companies Act 2006 reporting**

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

<b>Strategic report and Directors' report</b>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> <li>the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and</li> <li>the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.</li> </ul> <p>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.</p>
<b>Matters on which we are required to report by exception</b>	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or</li> <li>the Parent Company financial statements are not in agreement with the accounting records and returns; or</li> <li>certain disclosures of Directors' remuneration specified by law are not made; or</li> <li>we have not received all the information and explanations we require for our audit.</li> </ul>

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DSW CAPITAL PLC

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

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

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be UK adopted international accounting standards, AIM Listing rules, Solicitors Regulation Authority Rules, the Companies Act 2006 and relevant UK taxation legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Anti-Money Laundering Regulations, and Data protection Act.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - o Detecting and responding to the risks of fraud; and
  - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DSW CAPITAL PLC

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including those relating to accrued revenue. In response to the risk of fraud in revenue recognition, we performed the procedures set out in the Key Audit Matter above;
- Agreement of the financial statement disclosures to underlying supporting documentation.

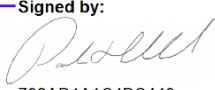
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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

Signed by:  
  
 799AD1A1C4BC448...

**Paula Holland (Senior Statutory Auditor)**

For and on behalf of BDO LLP, Statutory Auditor  
 Manchester, United Kingdom

7 July 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
<b>Continuing operations</b>			
<b>Revenue</b>	4	4,855	2,311
Cost of sales		(582)	-
<b>Gross profit</b>		<b>4,273</b>	<b>2,311</b>
Share of results of associates	17	110	120
Share of results of jointly controlled entity	18	96	56
Administrative expenses		(3,175)	(2,364)
<b>Operating profit</b>		<b>1,304</b>	<b>123</b>
<b>Adjusted operating profit<sup>11</sup></b>		<b>1,433</b>	<b>422</b>
Share based payments expense		(104)	(299)
Exceptional costs on acquisition		(25)	-
<b>Operating profit</b>		<b>1,304</b>	<b>123</b>
Finance income	9	232	236
Impairment of loans due from associated undertakings		(62)	(130)
Finance costs	10	(173)	(22)
<b>Profit before tax</b>		<b>1,301</b>	<b>207</b>
Income tax	11	(317)	(123)
<b>Profit for the year</b>	6	<b>984</b>	<b>84</b>
Total comprehensive income for the year attributable to owners of the Company		<b>984</b>	<b>84</b>
<b>Earnings per share</b>			
From continuing operations			
Basic	13	£0.04	£0.004
Diluted	13	£0.04	£0.004

<sup>11</sup> Adjusted Operating profit, which is defined as operating profit adjusted for items not considered part of underlying trading including share based payments and exceptional costs, is a non GAAP metric used by management and is not an IFRS disclosure.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Note	2025 £'000	2024 £'000
<b>Non-current assets</b>			
Intangible assets	15	6,952	696
Property, plant and equipment	16	297	363
Lease receivable	25	31	82
Investments	19	1,507	1,499
Investments in associates	19	182	145
Interests in jointly controlled entities	19	73	21
Prepayments and Accrued Income	20	744	800
Deferred tax asset	22	-	2
		<b>9,786</b>	<b>3,608</b>
<b>Current assets</b>			
Trade receivables	20	1,354	839
Prepayments and Accrued Income	20	839	452
Other receivables	20	763	978
Current tax asset		-	30
Lease receivable	25	50	49
Cash and bank balances		2,683	2,632
		<b>5,689</b>	<b>4,980</b>
<b>Total assets</b>		<b>15,475</b>	<b>8,588</b>
<b>Current liabilities</b>			
Trade payables	23	499	192
Other taxation	23	410	179
Other payables	23	71	84
Accruals and Deferred Income	23	553	94
Current tax liabilities	23	202	-
Lease liability	25	162	153
		<b>1,897</b>	<b>702</b>
<b>Net current assets</b>		<b>3,792</b>	<b>4,278</b>
<b>Non-current liabilities</b>			
Bank loan	23	2,771	-
Deferred tax provision	22	649	-
Lease liability	25	58	218
Dilapidation provision	23	85	80
		<b>3,563</b>	<b>298</b>
<b>Total liabilities</b>		<b>5,460</b>	<b>1,000</b>
<b>Net assets</b>		<b>10,015</b>	<b>7,588</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<b>Equity</b>			
Share capital	24	63	55
Share premium		5,268	5,268
Share-based payment reserve	26	575	498
Merger reserve		1,738	-
Retained earnings		2,371	1,767
<b>Total Equity attributable to owners of the Company</b>		<b>10,015</b>	<b>7,588</b>

The financial statements on pages 64 to 109 were approved by the board of directors and authorised for issue on 7 July 2025. They were signed on its behalf by:



**Pete Fendall**

Chief Finance and Operating Officer

7 July 2025



# COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Note	2025 £'000	2024 £'000
<b>Non-current assets</b>			
Intangible assets	15	653	696
Property, plant and equipment	16	60	64
Lease receivable	25	31	82
Investments	19	7,798	1,499
Investments in associates	19	182	145
Interests in jointly controlled entities	19	73	21
Prepayments and Accrued Income	20	744	800
Other receivables	20	155	130
Deferred tax asset	22	6	2
		<b>9,702</b>	<b>3,439</b>
<b>Current assets</b>			
Trade receivables	20	1,194	818
Prepayments and Accrued Income	20	449	386
Other receivables	20	763	978
Current tax asset		-	30
Lease receivable	25	50	49
Cash and bank balances		2,356	2,615
		<b>4,812</b>	<b>4,876</b>
<b>Total assets</b>		<b>14,514</b>	<b>8,315</b>
<b>Current liabilities</b>			
Trade payables	23	211	81
Other taxation	23	268	166
Other payables	23	781	83
Accruals and Deferred Income	23	317	85
Current tax liabilities	23	80	-
Lease liability	25	56	54
		<b>1,713</b>	<b>469</b>
<b>Net current assets</b>		<b>3,099</b>	<b>4,407</b>
<b>Non-current liabilities</b>			
Bank loan	23	2,771	-
Lease liability	25	34	91
Dilapidation provision	23	1	1
		<b>2,806</b>	<b>92</b>
<b>Total liabilities</b>		<b>4,519</b>	<b>561</b>
<b>Net assets</b>		<b>9,995</b>	<b>7,754</b>

## COMPANY STATEMENT OF FINANCIAL POSITION

<b>Equity</b>			
Share capital	24	63	55
Share premium		5,268	5,268
Share-based payment reserve	26	575	498
Merger reserve		1,738	-
Retained earnings		2,351	1,933
<b>Total Equity attributable to owners of the Company</b>		<b>9,995</b>	<b>7,754</b>

The profit after tax for the Company was £798,000 (2024: £132,000). Under s408 of the Companies Act 2006, the company is exempt from the requirement to present its own income statement.

The financial statements on pages 64 to 109 were approved by the board of directors and authorised for issue on 7 July 2025. They were signed on its behalf by:



**Pete Fendall**

Chief Finance and Operating Officer

7 July 2025

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital	Share premium	Share-based payments reserve	Merger reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2023</b>	<b>55</b>	<b>5,271</b>	<b>1,868</b>	<b>-</b>	<b>701</b>	<b>7,895</b>
Profit for the year	-	-	-	-	84	84
Dividends	-	-	-	-	(687)	(687)
Share-based payments	-	-	299	-	-	299
Issue of shares in year	-	(3)	-	-	-	(3)
Reserves transfer (Note 26)	-	-	(1,669)	-	1,669	-
<b>Balance at 31 March 2024</b>	<b>55</b>	<b>5,268</b>	<b>498</b>	<b>-</b>	<b>1,767</b>	<b>7,588</b>
Profit for the year	-	-	-	-	984	984
Dividends	-	-	-	-	(407)	(407)
Share-based payments	-	-	104	-	-	104
Issue of shares in year	8	-	-	1,738	-	1,746
Reserves transfer (Note 26)	-	-	(27)	-	27	-
<b>Balance at 31 March 2025</b>	<b>63</b>	<b>5,268</b>	<b>575</b>	<b>1,738</b>	<b>2,371</b>	<b>10,015</b>

# COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital	Share premium	Share-based payments reserve	Merger reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2023</b>	<b>55</b>	<b>5,271</b>	<b>1,868</b>	<b>-</b>	<b>819</b>	<b>8,013</b>
Profit for the year	-	-	-	-	132	132
Dividends	-	-	-	-	(687)	(687)
Share-based payments	-	-	299	-	-	299
Issue of shares in year	-	(3)	-	-	-	(3)
Reserves transfer (Note 26)	-	-	(1,669)	-	1,669	-
<b>Balance at 31 March 2024</b>	<b>55</b>	<b>5,268</b>	<b>498</b>	<b>-</b>	<b>1,933</b>	<b>7,754</b>
Profit for the year	-	-	-	-	798	798
Dividends	-	-	-	-	(407)	(407)
Share-based payments	-	-	104	-	-	104
Issue of shares in year	8	-	-	1,738	-	1,746
Reserves transfer (Note 26)	-	-	(27)	-	27	-
<b>Balance at 31 March 2025</b>	<b>63</b>	<b>5,268</b>	<b>575</b>	<b>1,738</b>	<b>2,351</b>	<b>9,995</b>

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Profit for the year		984	84
Adjustments for:			
Income tax expense	11	317	123
Net interest income		(59)	(214)
Depreciation of property, plant and equipment	16	169	144
Amortisation of intangible assets	15	185	59
Share-based payment expense	26	104	299
Impairment of loans due from associated undertakings		62	130
<b>Operating cash flows before movements in working capital</b>		<b>1,762</b>	<b>625</b>
Increase in trade and other receivables		(228)	(589)
Increase / (decrease) in trade and other payables		565	(32)
(Increase) / decrease in amounts owed from associates in relation to profit share		(88)	81
<b>Cash generated by operations</b>		<b>2,011</b>	<b>85</b>
Income taxes paid		(599)	(241)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>1,412</b>	<b>(156)</b>
<b>Investing activities</b>			
Purchases of IP and trademarks	15	-	(7)
Purchases of property, plant and equipment	16	(61)	(43)
Acquisition of subsidiary, net of cash acquired	14	(3,516)	(1,180)
<b>Net cash used in investing activities</b>		<b>(3,577)</b>	<b>(1,230)</b>
<b>Financing activities</b>			
Loan financing received		2,738	-
Dividends paid	12	(407)	(687)
Lease payments	25	(178)	(113)
Lease receivable amounts received	25	61	5
Net interest received		56	233
Share issue costs		(54)	(4)
<b>Net cash generated / (used) in financing activities</b>		<b>2,216</b>	<b>(566)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>51</b>	<b>(1,952)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>2,632</b>	<b>4,584</b>
<b>Cash and cash equivalents at end of year</b>		<b>2,683</b>	<b>2,632</b>

# COMPANY CASH FLOW STATEMENT

For the year ended 31 March 2025

	Note	2025 £'000	As restated (See Note 30) 2024 £'000
Profit for the year		798	132
Adjustments for:			
Income tax expense		236	123
Net interest income		(68)	(226)
Depreciation of property, plant and equipment	16	37	27
Amortisation of intangible assets	15	43	59
Share-based payment expense	26	104	299
Impairment of loans due from associated undertakings		62	130
<b>Operating cash flows before movements in working capital</b>		<b>1,212</b>	<b>544</b>
Increase in trade and other receivables		(212)	(616)
Increase / (decrease) in trade and other payables		447	(30)
(Increase) / decrease in amounts owed from associates in relation to profit share		(88)	81
<b>Cash generated / (used) by operations</b>		<b>1,359</b>	<b>(21)</b>
Income taxes paid		(131)	(241)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>1,228</b>	<b>(262)</b>
<b>Investing activities</b>			
Purchases of IP and trademarks	15	-	(7)
Purchases of property, plant and equipment	16	(32)	(36)
Investments in the period including acquisition costs	14	(3,776)	(1,180)
<b>Net cash used in investing activities</b>		<b>(3,808)</b>	<b>(1,223)</b>
<b>Financing activities</b>			
Loan financing received		2,738	-
Dividends paid	12	(407)	(687)
Lease payments	25	(67)	(4)
Lease receivable amounts received	25	61	5
Net interest received		50	226
Share issue costs		(54)	(4)
<b>Net cash used in financing activities</b>		<b>2,321</b>	<b>(464)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(259)</b>	<b>(1,949)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>2,615</b>	<b>4,564</b>
<b>Cash and cash equivalents at end of year</b>		<b>2,356</b>	<b>2,615</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. General information

DSW Capital plc, registered as a public company in England and Wales, with registered number: 07200401. The principal activity of the Company and its subsidiaries, DSW Services LLP, DSW Operations Limited and DR Solicitors Limited (together referred to as the 'Group') is the licensing of the Dow Schofield Watts and associated brand names for use in the professional services sector, whilst providing legal services under the DR Solicitors brand name.

The address of the Company's registered office is:

*7400 Daresbury Park  
Daresbury  
Warrington  
WA4 4BS*

The Financial Statements are presented in Pounds Sterling (£), which is the currency of the economic environment in which the group operates. All amounts are rounded to the nearest £'000 except where noted.

## 2. Accounting policies

### Statement of Compliance

The Group financial statements have been properly prepared in accordance with UK adopted international accounting standards; the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and has applied in accordance with the provisions of the Companies Act 2006.

The preparation of financial statements in compliance with adopted UK IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 3.

### Impact of the initial application of other new and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS accounting standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

<i>Amendments to IAS 1</i>	<i>Classification of Liabilities as Current or Non-Current</i>
<i>Amendment to IFRS 16</i>	<i>Lease Liability in a Sale and Leaseback</i>
<i>Amendment to IAS 1</i>	<i>Non-Current Liabilities with Covenants</i>
<i>Amendment to IAS 7 and IFRS 7</i>	<i>Supplier Finance Arrangements</i>

## NOTES TO THE FINANCIAL STATEMENTS

**New and revised IFRS Standards in issue but not yet effective**

In preparing these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

<i>Amendments to IAS 21</i>	<i>Lack of Exchangeability</i>
<i>Amendments to SASB standards</i>	<i>To enhance their international applicability</i>
<i>IFRS S1</i>	<i>General Requirements for Disclosure of Sustainability Related Financial Information</i>
<i>IFRS S2</i>	<i>Climate-related Disclosures</i>
<i>IFRS 18</i>	<i>Presentation and Disclosure in Financial Statements</i>

The Directors do not expect the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

**Basis of accounting**

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In the prior years consolidated financial statements, the parent company cashflow statement was excluded in error. This has been rectified in the current year, with comparatives. There is no impact on net assets or profit measures.

The principal accounting policies adopted are set out below.

**Going concern**

In considering the appropriateness of the going concern basis of preparation, the Directors have considered the cash balance and the forecasts for the next twelve months following the date of this report, which includes detailed cash flow forecasts and working capital availability. These forecasts show that sufficient resources remain available to the business for the foreseeable future in order to meet its operational and financial obligations as they fall due.

The Group has a significant cash balance of £2.7m, has a model which is strongly cash generative and a limited fixed cost base. At 31 March 2025, the Group has net assets of £10.0m (2024: £7.6m) and net current assets of £3.8m (2024: £4.3m) which reflects the strong financial position for the Group. In addition, the Group is profitable with profit after tax of £1.0m in the year ended 31 March 2025.

The Group has prepared detailed cash flow forecasts and stress-tested various scenarios, all of which indicate that the Group will maintain adequate liquidity throughout the forecast period. Furthermore, the Group remains in full compliance with all financial covenants associated with its borrowing facilities. Based on current forecasts and financial performance, management expects to continue to meet these covenants for the foreseeable future.

As such, the Group financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

**Basis of consolidation**

The consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.



## NOTES TO THE FINANCIAL STATEMENTS

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Investments in subsidiaries are recognised at cost in the statement of financial position of the parent company.

### Investments in associates and jointly controlled entities

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a jointly controlled entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A jointly controlled entity is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or jointly controlled entities are incorporated in these Financial Statements using the equity method of accounting.

Under the equity method, an investment in an associate or a jointly controlled entity is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or jointly controlled entity. The Group's share of the profit or loss is driven by the contractual arrangements in place. The Group's share of the profit or loss is defined by the economic interest in the associate or jointly controlled entity as stipulated in the legal arrangements, which differs from the percentage voting rights held.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a jointly controlled entity. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a jointly controlled entity.

### Other Investments

Where long-term loans are made to licensees, the Directors of the Company have accounted for them as investments under IFRS 9. These loans are accounted for using the amortised cost method. See note 3 for associated critical judgements involved in determining the appropriate classification of long-term loans to licensees.

To determine the fair value of the long-term loans, the Directors of the Company uses the discounted cashflow valuation technique. Differences may arise between the transaction price of the loan at initial recognition and the amount determined at initial recognition using the valuation technique. Any such differences are capitalised in prepayments and accrued income where they are held as Contract Assets and amortised over the loan term.

## NOTES TO THE FINANCIAL STATEMENTS

**Revenue recognition**

Revenue comprises revenue recognised by the Group in respect of services supplied during the year, exclusive of Value Added Tax.

The Group recognises revenue from the following major sources:

- Licence fee income
- Profit share income
- Provision of legal services

Licence fee income is recognised at the point at which the performance obligations, as defined by the contractual arrangements, have been satisfied which is primarily when revenue has been invoiced by the licensees over time. Profit share income is only recognised at the point at which the risk of reversal is deemed to be remote.

Revenue from the provision of legal services is either generated from variable or fixed fee matters. Revenue is recognised on variable fee matters in line with the hours recorded by a consultant and invoiced on a monthly basis in accordance with the terms of business. Revenue is recognised on fixed fee matters based on the respective stage of completion of each matter. This is determined by taking into account the time elapsed, a review of the performance to date, and milestones reached.

**Leases***As a lessee*

The Group applies IFRS 16 to account for leases. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of lease payments that were not paid at the commencement date, discounted using the Group's incremental borrowing rate. The average incremental borrowing rate applied to lease liabilities during the year is 7.80%.

The lease liability is measured at amortised cost using the effective interest method. If there is a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded directly in profit or loss if the carrying amount of the right-of-use asset is zero.

*Short-term leases and low value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less or leases of low value assets. These lease payments are expensed on a straight-line basis over the lease term.

*Dilapidations provision*

The Group recognises a provision for the future costs of dilapidations on leased office space. The provision is an estimate of the total cost to return applicable office space to its original condition at the end of the lease term.

## NOTES TO THE FINANCIAL STATEMENTS

*As a lessor*

The Group applies IFRS 16 to account for leases. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

**Operating profit**

Operating profit is stated after charging the share of results of associates and jointly controlled entities, but before finance income and finance costs.

**Retirement and termination benefit costs**

Payments to defined contribution retirement benefit plans are recognised as an expense in the consolidated statement of comprehensive income in the periods during which services are rendered by employees. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

**Short-term and other long-term employee benefits**

Wages, salaries, paid annual leave, sick leave and bonuses are accrued in the period in which the associated services are rendered by employees of the Group.

**Taxation**

The income tax expense represents the sum of the tax currently payable and deferred tax.

*Current tax*

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

*Deferred tax*

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements and on unused tax losses or tax credits available to the Group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

**Property, plant and equipment**

Property, plant and equipment is stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

*DSW*

Office equipment	33% straight line
Office fixtures & fittings	20% straight line

*DR Solicitors*

Office equipment	25% reducing balance
Office fixtures & fittings	25% reducing balance
Leasehold improvements	25% reducing balance

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful life of intangible assets is as follows:

Intangible assets	10 – 25 years
Customer relationships	8 years

**Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs, other than those associated with the issue of debt or equity, are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

**Goodwill**

Goodwill is measured at the acquisition date as the fair value of consideration transferred, plus non-controlling interests and the fair value of any previously held equity interests less the net recognised amount (which is generally fair value) of the identifiable assets and liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

## NOTES TO THE FINANCIAL STATEMENTS

**Financial instruments**

Financial assets and financial liabilities are recognised in the 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, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are 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.

*Financial assets*

The Group's financial assets include cash and cash equivalents, trade and other receivables that arise from the business operations, loans to licensees, accrued revenue and contract assets.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

All recognised financial assets are measured subsequently in their entirety at amortised cost.

*Classification of financial assets**Amortised cost and effective interest method**(a) Trade and other receivables*

Trade receivables are stated at their original invoiced value. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts. See Note 3 for details of the loss allowance.

*(b) Loans owing from licensees*

Loans are measured at amortised cost at their effective interest rates. The amortised cost of a loan is the amount at which the loan is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

*(c) Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value

*(d) Accrued Revenue*

Accrued revenue relates to work performed by consultants which is yet to be billed and profit share income accrued from licensees. Accrued revenue relating to work performed by consultants is calculated based on their hours worked and measured at their original invoice price. Accrued income relating to profit shares is calculated in line with the terms of the contract between DSW Capital and the licensee based on their performance for the financial year. Accrued revenue is disclosed within prepayments and accrued income. See Note 20 for details.

*(e) Contract Assets*

Amounts relating to contract assets, which are disclosed within prepayments and accrued income, are balances that can be classified as incremental costs of obtaining a revenue contract. These include the breakout incentives which provide businesses with an initial free-cash injection, as well as the below-market element of loans offered to licensee businesses. Amortisation is recognised on a straight-line basis over the life of the contract.

Interest income is recognised in profit or loss and is included in the "finance income" line item (Note 9).

## NOTES TO THE FINANCIAL STATEMENTS

*Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on the Group's loans to licensees and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The expected loss rates for these financial assets are based on the Group's historical credit losses experienced over the three-year period prior to the period end. An additional portfolio expected loss provision is calculated in which the historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's licensees. The Group has identified the changing insolvency rates in the UK as the key macroeconomic factor.

*(i) Definition of default*

The Group considers when a licensee business is terminated or ceases to trade as default events.

*(ii) Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default), and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment loss in the consolidated statement of comprehensive income for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

**Financial liabilities and equity***Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities are included in the statement of financial position as trade and other payables and borrowings.

*(a) Trade and other payables*

Trade payables are stated at their original invoiced value. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

*(b) Borrowings*

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost and the interest expense is recognised on the basis of the effective interest method and is included in finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

**Dividend Policy**

The Board has adopted a progressive dividend policy to reflect the expectation of future cash flow generation and long-term earnings potential of the Group. The Board may, however, revise the Group's dividend policy from time to time in line with the actual results of the Group.

Dividends are recognised once they have been paid.

**Related Party Transactions**

Details of related party transactions entered into by members of the Group are set out in Note 31.

**Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 26.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payment reserve.

**Finance Income**

The Group's finance income includes interest income on long-term loans made to licensees which is calculated using the effective interest method, and interest received on cash and cash equivalents.

**Merger Reserve**

Where an acquisition has occurred through the issue of shares and acquiring more than 90% of the share capital of the subsidiary, the excess of the fair value of consideration received over the par value of ordinary shares issued is recorded in a separate non-distributable reserve within equity.

### 3. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

**Critical judgements in applying the Group's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

**Consideration of control over a licensee**

Where the Group holds voting rights in an underlying licensee, an assessment of the ability to exert control over these entities is made based on whether the Group has the practical ability to direct the relevant activities of these entities unilaterally. Investments in associates have been recognised for entities where the Group holds between 20% and 50% of the voting rights and does not have any unilateral powers other than protective ones. Where the Group has more than 20% of the voting rights, it is deemed to have significant influence over the licensees and thus they are accounted for as investment in associates.

There is one entity in which the Group has 51% of the voting rights and 16.7% of the economic rights. However, all significant operational decisions require the unanimous consent of the parties. As such this entity has been recognised as an investment in a jointly controlled entity.

**Classification of long-term loans to licensees**

Where long-term loans are made to licensees, these are accounted for as investments under IFRS 9 using the amortised cost method. The long-term loans provided to licensees have 20-year terms and are only repayable at the end of the term and therefore in substance, are more akin to investments. The average interest rate is 6.1%.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**Calculation of expected loss allowance for related party loans**

When measuring expected credit loss ("ECL"), the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions for the licensee business.

The Group assesses each licensee individually as to the probability of default on their loans based on their cash balances and their ability to pay the cash flows due.

Also, the Group has elected to calculate an additional portfolio expected loss provision in which the historical loss rates are adjusted for current and forward-looking information on macroeconomic factors affecting the Group's licensees. The Group has identified the changing insolvency rates in the UK as the key macroeconomic factor as the failure of corporates is deemed to be a reasonable macroeconomic predictor for the likely failure of a licensee business on a portfolio basis.

**Goodwill and intangible assets**

During the year, the Group acquired DR Solicitors, and in doing so recognised customer relationships as an intangible asset on consolidation.

In attributing value to the intangible asset arising on acquisition, management has made certain assumptions in terms of cash flows attributable to customer relationships. To assist in this work, the Group engaged external valuation experts to assess the fair value of the customer relationships and management reviewed the work carried out and assessed the outcome.

The value of customer relationships has been estimated based on the estimated net future revenues expected to be generated by them. The revenue estimations rely on annual growth rates. Management have selected the appropriate rates based on a combination of observed historical growth, industry benchmarks and forecasted influencing factors. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible asset, with a resultant impact on the goodwill recognised.



## NOTES TO THE FINANCIAL STATEMENTS

## 4. Revenue

The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (see Note 5). All revenue is recognised over time.

### Disaggregation of revenue

	2025 £'000	2024 £'000
<b>External revenue by product line</b>		
Licence Fee Income	3,238	2,183
Profit Share Income	191	128
Legal fee income	1,426	-
<b>Total Revenue</b>	<b>4,855</b>	<b>2,311</b>

A further breakdown of revenue by reporting line is shown below:

	2025 £'000	2024 £'000
<b>External revenue by reporting line</b>		
Licence fees attributable to Mergers & Acquisitions ('M&A')	2,490	1,475
Licence fees attributable to Other	748	708
Profit share attributable to M&A	182	119
Profit share attributable to Other	9	9
Legal fee Income	1,426	-
<b>Total Revenue</b>	<b>4,855</b>	<b>2,311</b>

## 5. Operating segments

### Products and services from which reportable segments derive their revenues

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Chief Executive Officer.

The Group has five reporting lines, identified above, which divide licence fees and profit share income between those attributable to M&A and Other, along with the legal fee income that was acquired in the year. The Group only has two operating segments due to the nature of services provided across the whole Group being revenue derived from licensing of the Dow Schofield Watts brand and associated brand names for use in the professional services sector, and legal fee income that was acquired in the year.

## NOTES TO THE FINANCIAL STATEMENTS

The segmental results for the year ended 31 March 2025 are as follows:

	DSW Licensing £'000	DR Solicitors £'000
<b>Revenue</b>	3,429	1,426
<b>Operating profit</b>	845	459
Finance Income	227	5
Finance Costs	(173)	-
Impairment of loans due from associated undertakings	(62)	-
<b>Profit before tax</b>	837	464
Taxation	(201)	(116)
<b>Profit for the year after tax</b>	<b>636</b>	<b>348</b>

The segmental results for the year ended 31 March 2024 are as follows:

	DSW Licensing £'000	DR Solicitors £'000
<b>Revenue</b>	2,311	-
<b>Operating profit</b>	123	-
Finance Income	236	-
Finance Costs	(22)	-
Impairment of loans due from associated undertakings	(130)	-
<b>Profit before tax</b>	207	-
Taxation	(123)	-
<b>Profit for the year after tax</b>	<b>84</b>	<b>-</b>

Revenue in the period has been derived from the reporting lines as detailed in Note 4.

Depreciation and amortisation are included in the Consolidated Statement of Comprehensive Income for the years ended 31 March 2025 and 2024 as follows:

	DSW Licensing £'000	DR Solicitors £'000
<b>31 March 2025</b>		
Depreciation and Amortisation	345	9
<b>31 March 2024</b>		
Depreciation and Amortisation	203	-

The segment assets and liabilities at 31 March 2025 are as follows:

	DSW Licensing £'000	DR Solicitors £'000
<b>Assets</b>	14,665	810
<b>Liabilities</b>	(4,816)	(644)

## NOTES TO THE FINANCIAL STATEMENTS

The segment assets and liabilities at 31 March 2024 are as follows:

	<b>DSW Licensing</b>	<b>DR Solicitors</b>
	<b>£'000</b>	<b>£'000</b>
<b>Assets</b>	8,588	-
<b>Liabilities</b>	(1,000)	-

### Geographical information

The Group has operations in one geographic location, the United Kingdom, and therefore the Group only has one reporting geographic operating segment. This is in line with internal reporting.

### Information about major customers

Included in revenues arising from Licence fees attributable to M&A are revenues of approximately £0.93m (2024: £0.40m) which arose from licence fee income from the Group's largest licensee. Only one other single licensee contributed 10 per cent or more to the Group's licence fee revenue in 2025 (one in 2024).

## 6. Profit for the year

Profit for the year has been arrived at after charging/(crediting):

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation of property, plant and equipment	169	144
Amortisation	185	59
Employee pension	18	25
Expected credit loss - licence fees	91	(7)
Expected credit loss - outstanding loans	62	130
Expected credit loss - profit share	4	(3)

## 7. Auditor's remuneration

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Audit of the Group financial statements	110	66
<i>Fees payable to the Company's auditors in respect of:</i>		
Accountancy services	-	2
<b>Total auditor's remuneration</b>	<b>110</b>	<b>68</b>

Non-audit services in the prior period relate to iXBRL conversion work performed on the company's financial statements for corporation tax purposes.

## NOTES TO THE FINANCIAL STATEMENTS

## 8. Staff costs

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

	2025 Number	2024 Number
Central Heads	19	15
	<b>19</b>	<b>15</b>

Their aggregate remuneration comprised:

	2025 £'000	2024 £'000
Wages and salaries	1,312	881
Social security costs	148	118
Other pension costs (see note 27)	18	25
	<b>1,478</b>	<b>1,024</b>

'Other pension costs' relate to the defined contribution plan charge as detailed in Note 27.

### Aggregate Directors' remuneration

	2025 £'000	2024 £'000
Wages and salaries	636	524
Social security costs	68	66
Other pension costs (see note 27)	2	18
	<b>706</b>	<b>608</b>

The highest paid Director's total emoluments in the year were £218,750 (2024: £225,500) of which £nil (2024: £nil) related to pension costs.

### Directors' transactions

Dividends totalling £406,796 were paid in the year in respect of ordinary shares (2024: £687,362). Of the dividends, £84,532 (2024: £182,099) were paid to Directors of the Company who were currently serving at the time of payment. See Note 12 for details.

## NOTES TO THE FINANCIAL STATEMENTS

## 9. Finance income

	2025 £'000	2024 £'000
Interest income:		
Loan Interest	130	124
	<b>130</b>	<b>124</b>
Other finance income	102	112
Total finance income	<b>232</b>	<b>236</b>

## 10. Finance costs

	2025 £'000	2024 £'000
Interest costs on lease	(22)	(18)
Loan interest	(147)	-
Other finance costs	(4)	(4)
	<b>(173)</b>	<b>(22)</b>

## 11. Income Tax

	2025 £'000	2024 £'000
Corporation income tax:		
Current year	381	135
Adjustments in respect of prior years	(25)	(19)
	<b>356</b>	<b>116</b>
Deferred tax (see note 22)		
Origination and reversal of temporary differences	(39)	7
	<b>317</b>	<b>123</b>

The standard rate of corporation tax applied to reported profit is 25% (2024: 25%).

## NOTES TO THE FINANCIAL STATEMENTS

The charge for the year can be reconciled to the profit before tax as follows:

	2025 £'000	2024 £'000
Profit before tax on continuing operations	1,301	207
Tax at the UK corporation tax rate of 25% (2024: 25%)	325	52
Tax effect of expenses that are not deductible in determining taxable profit and reversal of prior year expenses not deducted previously	5	5
Depreciation and amortisation in excess of capital allowances	47	-
Other tax effects	2	12
Tax effect of adjustments in relation to prior periods	(25)	(19)
Tax effect of income not taxable in determining taxable profit	(24)	(9)
Movement in deferred tax assets/liabilities	(39)	7
Tax effect of share based payment adjustment	26	75
<b>Tax expense for the year</b>	<b>317</b>	<b>123</b>

## 12. Dividends

	2025 £'000	2024 £'000
Amounts recognised as distributions to equity holders in the year:		
Dividend for the year to 31 March 2025 consisting of:		
Final dividend for the year to 31 March 2024 of £0.0075 per share (2023: £0.02 per share)	161	421
Interim dividend for the year to 31 March 2025 of £0.01 per share (2024: £0.0125 per share)	246	266
	<b>407</b>	<b>687</b>
Final dividend for the year to 31 March 2025 of £0.02 per share (2024: £0.0075 per share)	503	164
	<b>503</b>	<b>164</b>

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The dividend record date is 12 September 2025 and the dividend payment date is 3 October 2025. The ex-dividend date is 11 September 2025.

## NOTES TO THE FINANCIAL STATEMENTS

## 13. Earnings per share

### From continuing operations

The calculation of the basic and diluted earnings per share is based on the following data:

	2025 £'000	2024 £'000
<b>Earnings</b>		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the Company	984	84
Effect of dilutive potential ordinary shares:	-	-
<b>Earnings for the purposes of diluted earnings per share</b>	<b>984</b>	<b>84</b>

	2025	2024
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	22,696,074	21,158,039
Effect of dilutive potential ordinary shares:		
Share Options	402,895	768,321
<b>Weighted average number of ordinary shares for the purposes of diluted earnings per share</b>	<b>23,098,969</b>	<b>21,926,360</b>

### From continuing operations

	2025 £	2024 £
<b>Earnings</b>		
Basic earnings per share	0.04	0.004
<b>Diluted earnings per share</b>	<b>0.04</b>	<b>0.004</b>

Adjusted earnings per share is included as an Alternative Performance Measure ('APM') and is not presented in accordance with IAS 33. It has been calculated using adjusted earnings calculated as profit after tax but before:

- Share-based payments expense;
- Acquisition costs; and
- The tax effect of the above items

The calculation of adjusted basic and adjusted diluted earnings per share is based on:

	2025 £'000	2024 £'000
Profit after tax on continuing operations	984	84
Adjusted for:		
Share-based payment expense	104	299
Acquisition costs	25	-
<b>Adjusted earnings for the purposes of adjusted basic and adjusted diluted earnings per share</b>	<b>1,113</b>	<b>383</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2025	2024
Earnings	£	£
Adjusted basic earnings per share	0.05	0.02
<b>Adjusted diluted earnings per share</b>	<b>0.05</b>	<b>0.02</b>

Tax adjustments of £nil (2024: £nil) have been made in arriving at the adjusted earnings per share. This is based on an estimated full year equivalent tax rate, which is largely driven by the UK corporation tax rate of 25% adjusted upwards to take into account the effect of non-deductible expenses.

Shares held in trust are issued shares that are owned by the Group's employee benefit trusts for future issue to employees as part of share incentive schemes. The future exercise of the share awards and options is the dilutive effect of share awards granted to employees that have not yet vested.

Shares held in trust are deducted from the weighted average number of shares for basic earnings per share. For its adjusted basic measure, the group uses the weighted average number of ordinary shares.

## 14. Acquisition of subsidiary company

On 1 November 2024, the Group acquired 100% of the issued share capital of DR Solicitors Limited, in exchange for total consideration of £6,291k. Consideration was satisfied by cash consideration of £3,776k, new shares issued in DSW Capital plc with a value of £1,800k, and the assumption of an overdrawn Director's Loan Account with a value of £715k.

DR Solicitors is an award winning, nationally recognised law firm, which provides services to GPs, consultants and other primary care providers in the UK. DR Solicitors Limited was acquired to bring a highly scalable, cash generative, and profitable Legal Platform to the Group. The amounts recognised in respect of assets acquired and liabilities assumed are £2,579k. This results in goodwill arising of £3,712k.

The transaction with DR Solicitors qualified as a business combination as defined in IFRS 3. The business combination is accounted for using the acquisition accounting method as at the acquisition date, which is the date at which control is transferred to the Group.

The fair value of the assets and liabilities and the associated goodwill arising from the acquisition are as follows:

Asset/Liability:	£'000
Property, plant and equipment	37
Cash and cash equivalents	260
Trade and Other Receivables	1,131
Trade and Other Payables	(888)
Deferred Tax Liability	(8)
Intangible assets acquired	2,729
Deferred tax liabilities on intangible assets	(682)
<b>Total identifiable assets acquired, and liabilities assumed</b>	<b>2,579</b>
Goodwill	3,712
<b>Purchase consideration</b>	<b>6,291</b>
Purchase consideration satisfied by:	
Cash consideration	3,776
Equity consideration	1,800
Assumption of overdrawn Director's Loan Account	715



## NOTES TO THE FINANCIAL STATEMENTS

The goodwill of £3,712k is attributable to the synergies that are expected to be achieved from incorporating the business into the Group operations, and the expectations of generating new customer relationships and cross selling services across the DSW Network.

Goodwill is measured at the acquisition date as the fair value of consideration transferred, plus non-controlling interests and the fair value of any previously held equity interests less the net recognised amount (which is generally fair value) of the identifiable assets and liabilities assumed. Goodwill is subject to an annual review for impairment (or more frequently if necessary) in accordance with our accounting policies. Any impairment is charged to the income statement as it arises.

The following intangible asset was recognised at acquisition. This has been measured at its fair value using an income based approach.

	DR Solicitors £'000
Customer relationships	2,729
<b>Total fair value of intangibles on acquisition</b>	<b>2,729</b>
Deferred tax recognised as a result of the intangibles	(682)
<b>Total fair value of acquisition</b>	<b>2,047</b>

Cash flows arising from the acquisition were as follows:

	DR Solicitors £'000
Initial cash consideration	3,776
Cash and cash equivalents acquired	(260)
Acquisition of subsidiary, net of cash acquired	3,516
Transaction costs	341
<b>Net cash outflow in the year</b>	<b>3,857</b>

The table below outlines the Revenue and Profit Before Tax of DR Solicitors since the acquisition date, which is included in the consolidated statement of comprehensive income for the year.

	DR Solicitors £'000
Revenue contributed post-acquisition	1,426
Profit before tax contributed post-acquisition	465

Transaction costs comprised mainly advisor and legal fees. These costs relate to issuing debt and equity instruments and have been recognised in accordance with IFRS 9 and IAS 32.

## NOTES TO THE FINANCIAL STATEMENTS

## 15. Intangible assets

### Group

	Customer Relationships	Goodwill	Intellectual Property & Trademarks	Total
Group:	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 April 2023	-	-	907	907
Additions	-	-	7	7
Disposals	-	-	(49)	(49)
At 31 March 2024	-	-	865	865
Additions	-	-	-	-
On acquisition of DR Solicitors	2,729	3,712	-	6,441
Disposals	-	-	-	-
At 31 March 2025	2,729	3,712	865	7,306
<b>Amortisation</b>				
At 1 April 2023	-	-	159	159
Charge for the year	-	-	59	59
Disposals	-	-	(49)	(49)
At 31 March 2024	-	-	169	169
Charge for the year	142	-	43	185
Disposals	-	-	-	-
At 31 March 2025	142	-	212	354
<b>Carrying amount</b>				
At 31 March 2024	-	-	696	696
<b>At 31 March 2025</b>	<b>2,587</b>	<b>3,712</b>	<b>653</b>	<b>6,952</b>

Intellectual property relates to assets acquired on which licence fees are charged. £614k of the carrying amount as at 31 March 2025 (2024: £645k) relates to Camlee Group. Management have determined that the present value of future cashflows to be derived from the respective licence fee income is greater than the carrying amount and, as such, the intellectual property does not need to be impaired.

Customer relationships are amortised over an eight-year period which is the estimated average length of the underlying relationships. At 31 March 2025, the remaining amortisation period for customer relationships is 7.6 years.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. For the purposes of goodwill impairment testing, the Group allocates the carrying amount of goodwill of £3,712k to the single CGU present in DR Solicitors, which is the provision of legal services.

The recoverable amount of the Group's goodwill has been determined by a value in use calculation using a discounted cash flow model. The Group has prepared cash flow forecasts derived from the most recent financial budgets approved by management for the next eight years after which cash flows are extrapolated using a terminal value calculation base on an estimated growth rate of 2%. Management have used eight-year forecasts, as this reflects the repeat customer lifecycle based on historic retention rates.

## NOTES TO THE FINANCIAL STATEMENTS

The key assumptions for the value in use calculations are those regarding growth rates for the Group's revenues from legal services, customer retention rates and the discount rate. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU.

The discount rate used to discount the forecast cash flows is based on a post-tax estimated weighted average cost of capital of 20.7%. The pre-tax estimated weighted average cost of capital is 21.1%.

Revenue growth over the eight years of the forecast period reflects, for FY26, the current run rate of revenue from the CGU, with anticipated growth and customer retention rates in FY27 – FY33 reflective of the loyal customer base. The long term growth rate of 2% is based on UK economic growth forecasts.

The Group has carried out a sensitivity analysis on the impairment review which shows that due to the proximity of the acquisition to the year end, the analysis is sensitive to the discount rate and a movement of 0.5% would indicate an impairment of £24k.

**Company**

	Intellectual Property & Trademarks	Total
Company:	£'000	£'000
<b>Cost</b>		
At 1 April 2023	907	907
Additions	7	7
Disposals	(49)	(49)
At 31 March 2024	<b>865</b>	<b>865</b>
Additions	-	-
Disposals	-	-
At 31 March 2025	<b>865</b>	<b>865</b>
<b>Amortisation</b>		
At 1 April 2023	159	159
Charge for the year	59	59
Disposals	(49)	(49)
At 31 March 2024	<b>169</b>	<b>169</b>
Charge for the year	43	43
Disposals	-	-
At 31 March 2025	<b>212</b>	<b>212</b>
<b>Carrying amount</b>		
At 31 March 2024	<b>696</b>	<b>696</b>
<b>At 31 March 2025</b>	<b>653</b>	<b>653</b>

Intellectual property relates to assets acquired on which licence fees are charged. £614k of the carrying amount as at 31 March 2025 (2024: £645k) relates to Camlee Group. Management have determined that the present value of future cashflows to be derived from the respective licence fee income is greater than the carrying amount and, as such, the intellectual property does not need to be impaired.

## NOTES TO THE FINANCIAL STATEMENTS

## 16. Property, plant and equipment

### Group

	Right of Use Assets	Office Fixtures, Fittings & Equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 April 2023	531	264	795
Additions	24	43	67
At 31 March 2024	<b>555</b>	<b>307</b>	<b>862</b>
Additions	5	61	66
On acquisition of DR Solicitors	-	37	37
Disposals	-	(2)	(2)
At 31 March 2025	<b>560</b>	<b>501</b>	<b>963</b>
<b>Accumulated depreciation</b>			
At 1 April 2023	157	198	355
Charge for the year	109	35	144
At 31 March 2024	<b>266</b>	<b>233</b>	<b>499</b>
Charge for the year	117	52	169
On acquisition of DR Solicitors	-	-	-
Eliminated on disposal	-	(2)	(2)
At 31 March 2025	<b>383</b>	<b>381</b>	<b>666</b>
<b>Carrying amount</b>			
At 31 March 2024	<b>289</b>	<b>74</b>	<b>363</b>
<b>At 31 March 2025</b>	<b>177</b>	<b>120</b>	<b>297</b>

## NOTES TO THE FINANCIAL STATEMENTS

## Company

	Right of Use Assets	Office Fixtures, Fittings & Equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 April 2023	-	156	156
Additions	16	35	51
At 31 March 2024	<b>16</b>	<b>191</b>	<b>207</b>
Additions	-	33	33
Disposals	-	(2)	(2)
At 31 March 2025	<b>16</b>	<b>222</b>	<b>238</b>
<b>Accumulated depreciation</b>			
At 1 April 2023	-	116	116
Charge for the year	1	26	27
At 31 March 2024	1	<b>142</b>	<b>143</b>
Charge for the year	5	32	37
Eliminated on disposal	-	(2)	(2)
At 31 March 2025	<b>6</b>	<b>172</b>	<b>178</b>
<b>Carrying amount</b>			
At 31 March 2024	15	49	64
<b>At 31 March 2025</b>	<b>10</b>	<b>50</b>	<b>60</b>

## 17. Associates

As none of the individual associates are deemed to be material associates, they have been grouped together in aggregate below.

## Aggregate information of associates that are not individually material

	2025	2024
	£'000	£'000
The Group's share of profit from continuing operations	110	120
The Group's share of profit and total comprehensive income	<b>110</b>	<b>120</b>

## Change in the Group's ownership interest in an associate

Where the Company is a member of a licensee's business, a profit share arrangement is in place which entitles the Company to profits over a contractual threshold which is stated within an LLP agreement. The Group accounts for associates based on their economic share as stated in the legal agreements, rather than based on the Company's voting rights. Therefore, the accounting always mirrors the economic arrangement. When there is a change in profit share, this is not deemed to constitute a change in the Group's ownership interest in an associate as this relates to a change in economic interest only, hence there is no change to the equity accounting basis. A change in the Group's ownership interest therefore is only recognised where there is a change in the Company's voting rights.

## NOTES TO THE FINANCIAL STATEMENTS

## 18. Jointly controlled entities

The jointly controlled entity is not deemed to be a material jointly controlled entity.

### Information of jointly controlled entity that is not individually material

	2025 £'000	2024 £'000
The Group's share of profit from continuing operations	96	56
The Group's share of profit and total comprehensive income	96	56

## 19. Investments

### Group

	2025 £'000	2024 £'000
Investment in Associates	182	145
Investment in jointly controlled entities	73	21
Other investments	1,507	1,499
<b>Total Investments</b>	<b>1,762</b>	<b>1,665</b>

Where long-term loans are made to licensees, which are disclosed within "Other investments" above, the Directors of the Company have accounted for them as investments under IFRS 9. These loans are accounted for using the amortised cost method.

The movement in Investment in Associates and Investment in jointly controlled entities is included in the cashflow statement as increase in amounts due from associates.

### Company

	2025 £'000	2024 £'000
Investment in Associates	182	145
Investment in jointly controlled entities	73	21
Investment in subsidiary company	6,291	-
Other investments	1,507	1,499
<b>Total Investments</b>	<b>8,053</b>	<b>1,665</b>

Where long-term loans are made to licensees, which are disclosed within "Other investments" above, the Directors of the Company have accounted for them as investments under IFRS 9. These loans are accounted for using the amortised cost method.

The movement in Investment in Associates and Investment in jointly controlled entities is included in the cashflow statement as increase in amounts due from associates.

Details on the acquisition of DR Solicitors can be found in Note 14.

## NOTES TO THE FINANCIAL STATEMENTS

The principal subsidiaries of the Company, all of which have been included in these consolidated financial statements, are as follows:

Name	Country of incorporation and principal place of business	Proportion of ownership	
		2025	2024
DSW Services LLP	7400 Daresbury Park, Daresbury, Warrington, WA4 4BS, United Kingdom	99%	99%
DSW Operations Ltd	7400 Daresbury Park, Daresbury, Warrington, WA4 4BS, United Kingdom	100%	100%
DR Solicitors Ltd	Weybourne House, Hitherbury Close, Guildford GU2 4DR, United Kingdom	100%	0%

## 20. Trade and other receivables

	Company 2025 £'000	Company 2024 £'000	Group 2025 £'000	Group 2024 £'000
Trade receivables	1,360	893	1,534	914
Loss allowance	(166)	(75)	(180)	(75)
	<b>1,194</b>	<b>818</b>	<b>1,354</b>	<b>839</b>
Other receivables	1,192	1,346	1,192	1,346
Loss Allowance	(429)	(368)	(429)	(368)
	<b>763</b>	<b>978</b>	<b>763</b>	<b>978</b>
Prepayments and Accrued Income	1,206	1,194	1,596	1,260
Loss Allowance	(13)	(8)	(13)	(8)
	<b>1,193</b>	<b>1,186</b>	<b>1,583</b>	<b>1,252</b>
	<b>3,150</b>	<b>2,982</b>	<b>3,700</b>	<b>3,069</b>
Amounts due from subsidiary undertakings	155	130	-	-
	<b>3,305</b>	<b>3,112</b>	<b>3,700</b>	<b>3,069</b>

Included in prepayments and accrued income for both the company and the group are contract assets amounting to £744k (2024: £800k) due in greater than one year. Also include in prepayments and accrued income for the Group is accrued revenue which relates to work performed by consultants, and profit share due from licensees.

Other receivables are made up from loans due from licensees. Amounts due from subsidiary undertakings, in other receivables on the company statement of financial position, are interest free and repayable on demand and have been classified as due in greater than one year, as the Group does not expect these to be settled within the next 12 months.

## NOTES TO THE FINANCIAL STATEMENTS

**Contract Assets**

Amounts relating to contract assets, which are disclosed within prepayments and accrued income above, are balances that can be classified as incremental costs of obtaining a revenue contract. These include the breakout incentives which provide businesses with an initial free-cash injection, as well as the below-market element of loans offered to licensee businesses.

Amortisation is recognised on a straight-line basis over the life of the contract. The average remaining length of contract to which these assets relate is 21 years. In the year ended 31 March 2025, amortisation amounting to £49k was recognised within admin expenses (year ended 31 March 2024: £14k was recognised in admin expenses).

	2025 £'000	2024 £'000
<b>Contract assets</b>		
Breakout Incentives	330	369
Below Market Element of Loans to Licensees	428	438
	<b>758</b>	<b>807</b>
Current	25	24
Non-Current	733	783
<b>Total Investments</b>	<b>758</b>	<b>807</b>

As discussed in Note 2, the Group uses the discounted cashflow valuation technique to measure the fair value of the contract assets that are not traded in an active market. However, in accordance with IFRS 13 and IFRS 9, the fair value of an instrument at inception is generally the transaction price. If the transaction price differs from the amount determined at inception using the valuation technique, that difference is capitalised in prepayments and accrued income. The differences yet to be recognised in profit or loss are as follows:

	2025 £'000	2024 £'000
Balance at the beginning of the year	807	72
New transactions	-	713
Restatement	-	28
Amounts recognised in P&L	(49)	(6)
<b>Balance at the end of the year</b>	<b>758</b>	<b>807</b>

**Trade receivables**

The Group assessed each licensee individually as to their probability of default based on previous credit loss history which is adjusted for current and forward-looking information. It is not appropriate to group the licensee trade receivable balances as there are specific circumstances associated with each business, notably, service line, sector, location and maturity of the business. The Group also elects to calculate an additional portfolio expected loss provision in which the historical loss rates are adjusted for current and forward-looking information on macroeconomic factors affecting the Group's licensees.

Average Credit Period taken is 103 Days (2024: 131 days) and no interest has been charged on the receivables.



## NOTES TO THE FINANCIAL STATEMENTS

The ageing of trade receivables including lifetime expected credit loss provision at the reporting date was as follows:

31 March 2025	Not past due £'000	Past due 61 to 90 days £'000	Past due 91 to 120 days £'000	Past due over 120 days £'000	Total £'000
Expected credit loss rate	3.1%	5.4%	22.9%	64.7%	11.7%
Gross carrying amount	1,244	37	35	218	1,534
Loss provision	(29)	(2)	(8)	(141)	(180)
<b>Net carrying amount</b>	<b>1,215</b>	<b>35</b>	<b>27</b>	<b>77</b>	<b>1,354</b>

31 March 2024	Not past due £'000	Past due 61 to 90 days £'000	Past due 91 to 120 days £'000	Past due over 120 days £'000	Total £'000
Expected credit loss rate	1.3%	11.1%	9.1%	30.1%	8.2%
Gross carrying amount	607	36	88	183	914
Loss provision	(8)	(4)	(8)	(55)	(75)
<b>Net carrying amount</b>	<b>599</b>	<b>32</b>	<b>80</b>	<b>28</b>	<b>839</b>

The provision for impairment of trade receivables is the difference between the carrying value and the present value of the expected proceeds. The Directors consider that the carrying value of trade receivables approximates to fair value.

## 21. Borrowings

### Analysis of changes in net debt

	01 April 2023	Cash flow	Other non-cash changes	31 March 2024
Cash & bank balances	4,584	(1,952)	-	2,632
Lease liability	(311)	113	(173)	(371)
<b>Net Debt</b>	<b>4,273</b>	<b>(1,839)</b>	<b>(173)</b>	<b>2,261</b>
	01 April 2024	Cash flow	Other non-cash changes	31 March 2025
Cash & bank balances	2,632	51	-	2,683
Lease liability	(371)	178	(27)	(220)
Bank loan	-	(3,000)	-	(3,000)
Debt issue costs		262	(33)	229
<b>Net Debt</b>	<b>2,261</b>	<b>(2,509)</b>	<b>(60)</b>	<b>(308)</b>

Balances at 31 March 2025 comprise:

	Current assets £'000
Cash and bank balances	2,638

## NOTES TO THE FINANCIAL STATEMENTS

DSW Capital entered into a Revolving Credit Facility ("RCF") with Oaknorth Bank plc on 31 October 2024. The RCF is for an initial 3-year term until 31 October 2027. The facility is for £3 million, and the full amount has been drawn down to fund the acquisition of DR Solicitors. The RCF carries an interest rate of 4.5% above the Bank of England base rate and is subject to standard leverage and interest cover covenants. As at 31 March 2025, the Group has sufficient headroom in the RCF and is compliant with the covenants.

## 22. Deferred Tax

### Group

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	2025 £'000	2024 £'000
At the beginning of the year asset	2	9
Credited / (Charged) in the year	39	(7)
Liability acquired in the year	(690)	-
<b>At the end of the year (liability) / asset</b>	<b>(649)</b>	<b>2</b>

### Company

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	2025 £'000	2024 £'000
At the beginning of the year asset	2	9
Credited / (Charged) in the year	4	(7)
<b>At the end of the year asset</b>	<b>6</b>	<b>2</b>

## 23. Trade and other payables

	Company 2025 £'000	Company 2024 £'000	Group 2025 £'000	Group 2024 £'000
Trade payables	211	81	499	192
Other taxation and social security	268	166	410	179
Amounts due to subsidiary company	715	-	-	-
Other payables	66	83	71	84
Accruals and Deferred Income	317	85	553	94
Corporation Tax	80	-	202	-
	<b>1,657</b>	<b>415</b>	<b>1,735</b>	<b>549</b>

## NOTES TO THE FINANCIAL STATEMENTS

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Amounts falling due in greater than one year include:

	Company 2025 £'000	Company 2024 £'000	Group 2025 £'000	Group 2024 £'000
Bank loan	2,771	-	2,771	-
Dilapidation provision	1	1	85	80
	<b>2,772</b>	<b>1</b>	<b>2,856</b>	<b>80</b>

The dilapidation provision relates to the estimated cost of returning a leased property to its original state at the end of the lease in accordance with the lease terms. The average lease term remaining is 1.75 years.

A £3m loan facility was agreed and drawn in the year with Oaknorth Bank plc for the acquisition of DR Solicitors. Repayment is due in full 36 months from the date of drawdown of the facility which was 1 November 2024. Interest is payable on the facility at 4.5% plus Bank of England base rate which has a 2% floor cap. Amounts shown and included in creditors > 1 year are net of the loan facility fees that were paid in the year and will unwind over the period of the loan.

## 24. Share capital - Group and Company

	2025 Number £'000	2024 Number £'000
<i>Authorised, issued and fully paid:</i>		
Ordinary shares	25,131,108 63	21,926,360 55
	<b>25,131,108 63</b>	<b>21,926,360 55</b>

	2024 Number £'000
As at 31 March 2024	21,926,360 55
Share issue	3,204,748 8
As at 31 March 2025	<b>25,131,108 63</b>

On 5 November 2024, 3,204,748 consideration shares were issued in relation to the acquisition of DR Solicitors (see note 14), and rank equally in all respects with the existing ordinary shares of £0.0025 each.

### Merger Reserve

As DSW Capital plc issued shares as part consideration to acquire 100% of the issued Share Capital of DR Solicitors Limited merger relief applies. As such the excess over the par value of ordinary shares, amounting to £1,738k, has been recognised as a Merger reserve which is a non-distributable reserve.

## NOTES TO THE FINANCIAL STATEMENTS

## 25. Leases

DSW Services, a subsidiary of DSW Capital PLC, entered into a formal lease arrangement for the Daresbury office, effective from 1 October 2021. Further detail on the lease accounting policy can be found in note 2.

DSW Capital PLC entered into a lease agreement for a London-based office space, effective from 8 February 2024. The majority of the leased office space has been sub-let by DSW Capital PLC, with both the lease and sub-lease due to expire after 3 years.

The consolidated statement of financial position and consolidated statement of comprehensive income show the following amounts relating to leases:

<i>Right-of-use assets</i>	<b>Company</b> <b>£'000</b>	<b>Group</b> <b>£'000</b>
<b>Balance at 1 April 2023</b>	-	<b>374</b>
Additions in the year	16	24
Depreciation	(1)	(109)
<b>Balance at 31 March 2024</b>	<b>15</b>	<b>289</b>
Additions in the year	-	5
Depreciation	(5)	(117)
<b>Balance at 31 March 2025</b>	<b>10</b>	<b>177</b>

<i>Lease liabilities</i>	<b>Company</b> <b>£'000</b>	<b>Group</b> <b>£'000</b>
<b>Balance at 1 April 2023</b>	-	<b>311</b>
New leases recognised in the year	147	155
Interest expense	2	18
Lease amounts invoiced and paid in the year	(4)	(113)
<b>Balance at 31 March 2024</b>	<b>145</b>	<b>371</b>
New leases recognised in year	-	5
Interest expense	12	22
Lease amounts invoiced and paid in the year	(67)	(178)
<b>Balance at 31 March 2025</b>	<b>90</b>	<b>220</b>

## NOTES TO THE FINANCIAL STATEMENTS

<i>Income Statement</i>	<b>Company 2025</b>	<b>Company 2024</b>	<b>Group 2025</b>	<b>Group 2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Interest expense (note 10)	12	2	22	18
Expense relating to leases of low-value assets	-	-	12	9
Expense relating to short-term leases	-	-	80	63
	<b>12</b>	<b>2</b>	<b>114</b>	<b>90</b>

As at the 31 March 2025, the Group recognised lease liabilities in respect of outstanding commitments for future minimum lease payments under non-cancellable lease contracts, which fall due as follows:

	<b>Company 2025</b>	<b>Company 2024</b>	<b>Group 2025</b>	<b>Group 2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within one year	56	54	162	153
In one to two years	34	55	58	159
In two to three years	-	36	-	59
	<b>90</b>	<b>145</b>	<b>220</b>	<b>371</b>

The total cash outflow in the year paid in respect of leases was £178,000 (2024: £113,000). Under the terms of the lease, £111,567 per annum is charged until the first break date in October 2026 on the Daresbury lease and £62,216 per annum is charged on the London office lease.

### Leases as a lessor

During the year to 31 March 2024, DSW Capital PLC entered into a lease agreement for a London-based office space, effective from 8 February 2024. The majority of the leased office space has been sub-let by DSW Capital PLC, with both the lease and sub-lease due to expire after 3 years. The sub-lease is classified as a finance sub-lease.

During the year, the Group recognised interest income on lease receivables of £11k (2024: £2k)

The total cash inflow in the year in respect of the sub lease was £61,000 (2024: £5,000).

The group's finance lease arrangements do not include variable payments.

## NOTES TO THE FINANCIAL STATEMENTS

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2025	2024
	£'000	£'000
Amounts receivable under finance leases:		
Less than one year	55	59
In one to two years	33	56
In two to three years	-	35
<b>Total undiscounted lease receivable</b>	<b>88</b>	<b>150</b>
Unearned finance income	(7)	(19)
<b>Net investment in the lease</b>	<b>81</b>	<b>131</b>
<b>Undiscounted lease payments analysed as:</b>		
Recoverable after 12 months	33	91
Recoverable within 12 months	55	59
	<b>88</b>	<b>150</b>
<b>Net investment in the lease analysed as:</b>		
Recoverable after 12 months	31	82
Recoverable within 12 months	50	49
	<b>81</b>	<b>131</b>

## 26. Share-based payments

In the year ended 31 March 2025, the Group operated one equity-settled share-based payment plan as described below. The Group recognised total expenses of £103,959 (2024: £299,412) in respect of equity-settled share-based payment transactions in the year ended 31 March 2025.

The charge to the income statement is set out below:

Share plans:	2025	2024
Growth share plan	-	254,012
PSP Awards	103,959	45,400
<b>Total SBP expense</b>	<b>103,959</b>	<b>299,412</b>

Share-based payments movement for the year ended 31 March 2025:

	SBP Expense (£)	SBP Reserve (£)	Retained Earnings (£)
PSP Awards	103,959	(103,959)	-
Reserve transfer of lapsed shares	-	26,667	(26,667)
<b>Total movement</b>	<b>103,959</b>	<b>(77,292)</b>	<b>(26,667)</b>

## NOTES TO THE FINANCIAL STATEMENTS

Share-based payments movement for the year ended 31 March 2024:

	SBP Expense (£)	SBP Reserve (£)	Retained Earnings (£)
Growth share plan	254,012	(254,012)	-
Reserve transfer of growth shares	-	1,669,583	(1,669,583)
PSP Awards	45,400	(45,400)	-
<b>Total movement</b>	<b>299,412</b>	<b>(1,370,171)</b>	<b>(1,669,583)</b>

Details of Directors' share awards are set out in the Directors' Remuneration Report.

### PSP Awards

The Board recognises the importance of ensuring that members of the Group are effectively and appropriately incentivised and their interests aligned with those of DSW Capital. Similarly, the Board believes that the ongoing success of the DSW Network depends to a high degree on retaining and incentivising the performance of its key people.

To that end, the Group has adopted the Performance Share Plan ("PSP"), to align the interests of Executive Directors and key employees ("Participants") with those of the Shareholders. The PSP will be a long-term incentive plan which will form the primary long-term incentive arrangement for the Executive Directors. The Remuneration and Nominations Committee will consider the granting of PSP awards to the participants on an annual basis.

A summary of the structure of the rules of the Plan is set out below:

- Annual awards will be determined by reference to a number of shares equal in value to a maximum of 200% of base salary of participants;
- Grants shall be subject to a three-year vesting period (subject to the satisfaction of the performance conditions);
- Following vesting, there will be a further 24 month holding period before participants are able to sell any Shares; and
- Awards are subject to malus and clawback provisions.

Challenging performance conditions are set for each PSP award at the discretion of the Remuneration and Nominations Committee, which include relative total shareholder return ("TSR") targets against an applicable comparator group.

Awards outstanding at 31 March 2025 are shown below:

	2025 No. of share options	2024 No. of share options
Outstanding at beginning of year	340,656	512,185
Granted during the year	735,106	293,796
Forfeited during the year	-	(465,325)
Lapsed during the year	(53,333)	-
<b>Outstanding at the end of the year</b>	<b>1,022,429</b>	<b>340,656</b>
<b>Exercisable at the end of the year</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 27. Retirement benefit plans

### Defined contribution plans

The Group operates defined contribution retirement benefit plans for all qualifying employees.

The Group is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in profit or loss of £18,465 (2024: £24,929) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 March 2025 there was £3,347 (2024: £2,494) which had not been paid over to the plans and is included within creditors due in less than one year.

## 28. Financial Instruments

In common with other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The significant accounting policies regarding financial instruments are disclosed in Note 2. The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

### Financial assets

	Held at amortised cost			
	Company 2025	Company 2024	Group 2025	Group 2024
	£'000	£'000	£'000	£'000
Cash and cash equivalents	2,356	2,615	2,683	2,632
Trade and other receivables	2,870	2,733	2,875	2,624
	<b>5,226</b>	<b>5,348</b>	<b>5,558</b>	<b>5,256</b>

### Financial liabilities

	Held at amortised cost			
	Company 2025	Company 2024	Group 2025	Group 2024
	£'000	£'000	£'000	£'000
Trade and other payables	1,309	249	1,123	370
Bank loan	2,771	-	2,771	-
Lease Liabilities	90	145	220	371
	<b>4,170</b>	<b>394</b>	<b>4,114</b>	<b>741</b>

There is no significant difference between the fair value and carrying value of the financial instruments.

### (a) Financial risk management objectives

The Board has overall responsibility for the oversight of the Group's risk management framework. A formal process for reviewing and managing risk in the business has been developed. A register of strategic and operational risk is maintained and reviewed by the Board, who also monitor the status of agreed actions to mitigate key risks. The Board's objective in managing financial risks is to ensure the long-term sustainability of the Group.



## NOTES TO THE FINANCIAL STATEMENTS

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

**(b) Credit risk management**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk is primarily attributable to its startup loans provided to licensees. The Group mitigates this risk by encouraging ongoing engagement of senior management with network members and monthly reporting which allows close monitoring of emerging credit risks and facilitates early support and advice to mitigate or remediate performance.

Credit risk with cash and cash equivalents is reduced by placing funds with banks with high credit ratings.

*(b)(i) Overview of the Group's exposure to credit risk*

The Group recognises a loss allowance for expected credit losses on the Group's loans to licensees and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset. The expected loss rates for these financial assets are based on the Group's historical credit losses experienced over the three-year period prior to the period end.

An additional portfolio expected loss provision is calculated in which the historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the changing insolvency rates in the UK as the key macroeconomic factor.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

**(c) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows.

Network members in difficulty are asked to provide short-term cash flow forecasts on a monthly basis to support risk monitoring and potential funding requirements and Partners may be asked to reduce drawings on a temporary basis.

*(c)(i) Liquidity and interest risk*

There is no interest payable on trade payable balances and the operations of the Group are not dependent on the finance income received.

The Group is using the cash inflows from the financial assets to manage liquidity and has also secured £3 million RCF for an initial 3-year term until 31 October 2027. The RCF carries an interest rate of 4.5% above the Bank of England base rate and is subject to standard leverage and interest cover covenants.

A sensitivity analysis is performed to assess the impact of an increase or decrease in the Bank of England base rate. The Bank of England base rate is currently 4.25%. Based on the sensitivity analysis performed, assuming the RCF is fully drawn down, the impact on profit or loss and net assets of a 100 basis-point shift would be £30,000. The Directors are therefore satisfied that the current exposure to interest rate fluctuations is reasonable and no further risk management is currently proposed.

## NOTES TO THE FINANCIAL STATEMENTS

**(d) Capital risk management**

The Group considers its capital to comprise its ordinary share capital and retained profits as its equity capital. In managing its capital, the Group's primary objective is to provide return for its equity shareholders through capital growth and future dividend income.

The Group's policy is to seek to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs.

In making decisions to adjust its capital structure to achieve these aims, either through new share issues or the issue of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

Details of the Group's capital are disclosed in the statement of changes in equity and Note 24.

**29. Events after the reporting period**

Since the year end the Directors have recommended the payment of a final ordinary dividend of £0.02 per share for the year ended 31 March 2025.

**30. Prior period adjustment**

In the prior year's consolidated financial statements, the parent company cashflow statement was excluded in error. This omission resulted in non-compliance with the UK adopted IFRS and the CA 2006 requirements, which give no exemption from the presentation of a parent company cashflow statement.

This has been rectified in the current year financial statements, with the disclosure of the parent company cashflow statement, including comparatives. There is no impact on net assets or profit measures.

**31. Related party transactions**

Balances and transactions between the Company and its wholly owned subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its related parties are disclosed below.

Related parties are those licensees where the Company is a member of the related LLP.

## NOTES TO THE FINANCIAL STATEMENTS

*Revenue and Cost Recharges*

Group entities entered into the following transactions with related parties who are not members of the Group. All entities other than DSW Investments 2 LLP are licensee businesses. DSW Investments 2 LLP is an entity owned by current shareholders.

	<b>2025</b>	<b>2024</b>
	<b>Revenue and Cost Recharges</b>	<b>Revenue and Cost Recharges</b>
	<b>£'000</b>	<b>£'000</b>
PHD Industrial Holdings	186	202
DSW Investments 2 LLP	(110)	(107)
Other investments	758	592
<b>Totals</b>	<b>834</b>	<b>687</b>

Other investments relate to routine and similar transactions which arose in the ordinary course of business, with DSW CF Leeds, DSW TS Leeds and DSW Business Recovery.

*Amounts due from/to related parties*

Group entities had the following balances, including loans to related parties, outstanding at year end with related parties who are not members of the Group:

	<b>2025</b>	<b>2024</b>
	<b>Amounts due from/ (to) related parties</b>	<b>Amounts due from/ (to) related parties</b>
	<b>£'000</b>	<b>£'000</b>
DSW Investments 2 LLP	(34)	(34)
Other investments	341	237
<b>Totals</b>	<b>307</b>	<b>203</b>

Salary and fees payable to James Dow and Jon Schofield are as disclosed in the Remuneration and Nominations Committee Report. Salary totaling £65,267 (2024: £43,340) has been paid to Susie Dow in the year.

**Remuneration of key management personnel**

The remuneration of the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS.

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	565	621
Social security costs	68	77
Other pension costs (see note 27)	2	20
	<b>635</b>	<b>718</b>



