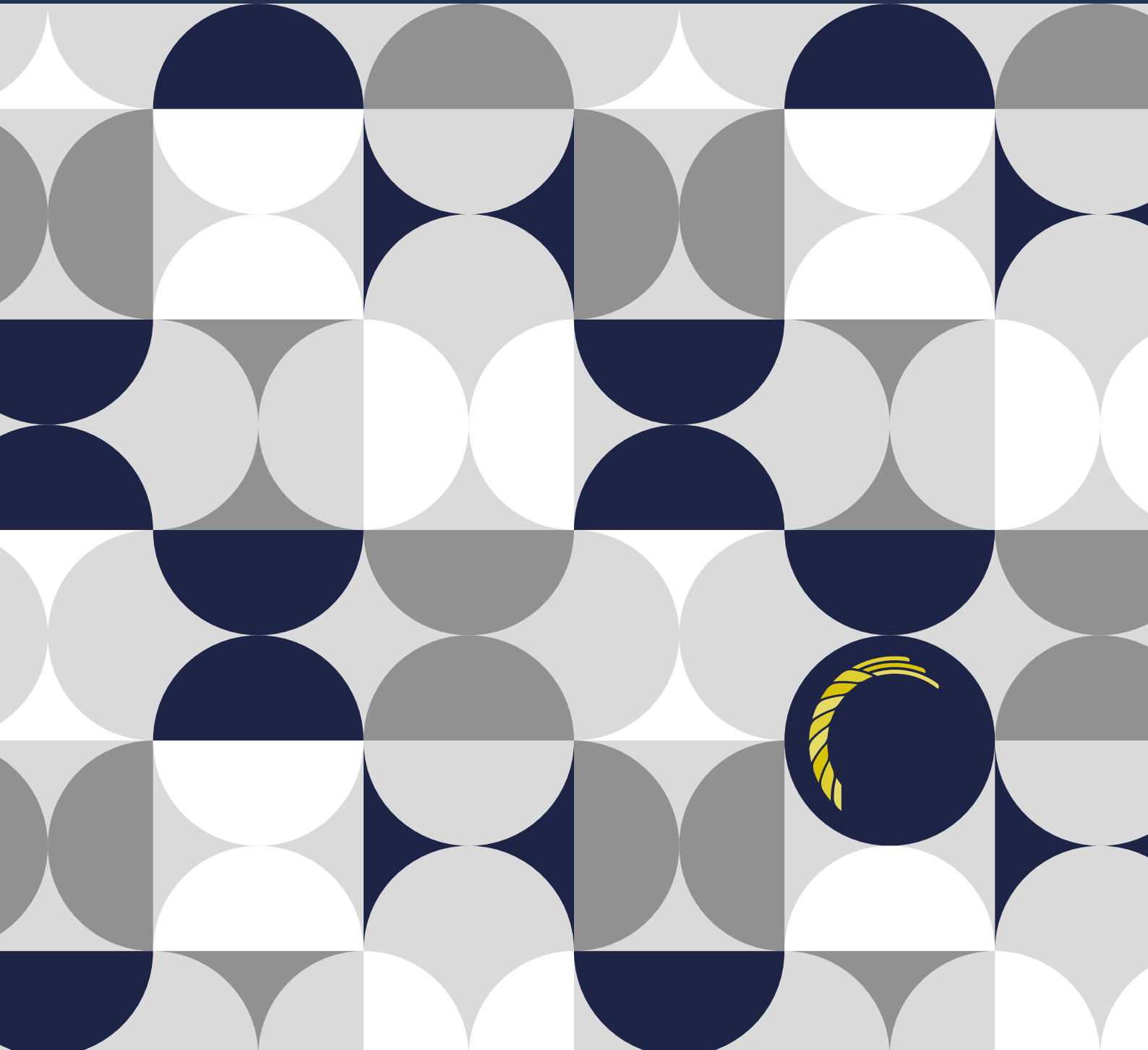


AS AT 30 SEPTEMBER 24



# Half Year Results



**DSW CAPITAL PLC**  
("DSW Capital", "DSW" or the "Group")  
(AIM: DSW)

## 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>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

# HALF YEAR RESULTS

## Resilient performance with momentum building in M&A, leading to guidance upgrades

DSW Capital, a profitable, mid-market, challenger professional services licence network and owner of the Dow Schofield Watts and DR Solicitors brands, is pleased to announce its half year results for the six-month period ended 30 September 2024 ("H1 25" or the "Period"), which demonstrate the Group's resilience and were in line with management expectations.

Post Period end and as announced in the Trading Update issued on 7 November, the Group delivered an outstanding performance in October 2024, driven by exceptionally strong levels of M&A activity and completions ahead of the Autumn Budget on 30 October 2024. This outstanding performance, combined with the transformational and earnings-enhancing acquisition of DR Solicitors Limited, announced on 4 November 2024, led to the board updating its guidance on the expected outcome for FY25.

The Group entered H2 25 in better shape than it has ever been, with a more diversified and resilient business and significantly reduced dependency on M&A activity. While always mindful of macro-economic and political uncertainties, the board is confident in the Group's growth strategy and continues to invest in the long-term future of the business.

### Financial highlights

- Network Revenue was 6.8% higher at £7.8m (H1 24: £7.3m), as M&A activity gradually improved across the Period and gained momentum in September 2024
- Total income from licensees was £1.1m (H1 24: £1.1m)
- Adjusted Pre-Tax Profit at £0.2m (H1 24: £0.2m)
- Statutory profit before tax of £0.1m (H1 24: loss of £0.1m), due to a lower share based payment expense in the Period
- Cash of £2.3m (FY24: £2.6m), reflecting the lower level of profitability whilst the M&A markets were subdued, and a dividend payment of £0.2m in September 2024
- Net cash used by operations of £0.2m, comprising start up loans and working capital support provided to new licensees who joined in FY24
- Maintained a strong balance sheet with Net Assets of £7.5m (FY24: £7.6m)
- Intention to maintain progressive dividend policy - interim dividend of 1.0p per share declared, representing one third of the intended total dividend for FY25 (FY24: 2.0p)

### Operational highlights

- Fee Earners increased to 112 at the Period end (H1 24: 104), up 7.7% YoY, supporting future revenue growth with 49 Partners across 24 licensee businesses
- 67% weighted towards M&A in H1 25 (H1 24: 73%)
- New Corporate Finance teams in the Midlands and Cardiff, celebrated a successful first year which saw their combined headcount grow from 5 to 11

### Post period end acquisition of DR Solicitors Limited ("DR" or "DR Solicitors")

- Significantly earnings-enhancing and transformational acquisition of award winning, nationally-recognised law firm, which provides services to GPs, consultants and other primary care providers in the UK.
- Total consideration £6.1m funded from cash and a new revolving credit facility ("RCF")
- Achieved organic revenue growth of 11% to generate revenue of £3.1 million and profit before tax of £1.2 million
- Brings a highly scalable, cash generative, and profitable Legal Platform to the Group
- Materially reduces the Group's reliance on the cyclical SME M&A market from 67% of revenue to around a third

## Trading update issued 7 November 2024 - upgraded financial guidance for FY25

- FY25 consolidated network revenue is expected to be c.£23.0m (FY24: £16.0m) – a 43.8% increase on prior year
- Adjusted Pre-Tax Profit in FY25 is expected to be c.£1.45m (FY24: £0.5m) – a 190% increase on prior year

## Current trading and outlook

- Momentum gained in September 2024 continued in October, generating exceptional levels of M&A activity as businesses looked to complete transactions ahead of the Autumn Budget
- Deal volumes in November and December are likely to be subdued, as many transactions were brought forward ahead of the Budget, before returning to normal levels in Q4 25
- FY25 results expected to benefit from usual H2 weighting with recognition of profit share income, five months' contribution from DR, and an exceptional M&A performance in October 2024, which delivered increased deal volumes and values
- Entering H2 25 with a more diversified and resilient business, with a significantly reduced dependency on M&A activity
- The Board is confident in the Group's growth strategy and continues to invest in the long-term future of the business

## James Dow, Chief Executive Officer, said:

*"The Group is stronger than it has ever been. We are delivering on our stated strategy to diversify, with the previously announced acquisition of DR Solicitors demonstrating our ability to attract earnings-enhancing niche service lines to the Group, as well as significantly reducing our historic reliance on M&A."*

*"While we are delighted to upgrade our guidance for FY25, and the Board is confident in the mid to long term prospects for the Group, we remain mindful of macro-economic and political uncertainties that may yet impact M&A activity."*

*"While the recruitment market has tightened, due to the improving M&A market, the opportunities for DSW and DR remain strong and we look forward to updating the market further, as the year progresses."*

## Definitions:

**Adjusted Pre-Tax Profit** - Adjusted pre-tax profit, which is defined as profit before tax adjusted for items not considered part of underlying trading, which in the current and prior period represents share based payments, is a non GAAP metric used by management and is not an IFRS disclosure.

**Network Revenue** - Network Revenue is defined as total revenue earned by licensees and DR Solicitors, as opposed to total revenue reported by the Company

**Total income from licensees** - Total income from licensees represents statutory revenue plus share of results in associates

## Enquiries:

### DSW Capital

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Pete Fendall, CFOO

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# CHIEF EXECUTIVE OFFICER'S STATEMENT



*I am pleased to report on the Group's results for six months to 30 September 2024, which were in line with our expectations. More importantly, after securing these H1 results, the Group delivered an outstanding performance in October 2024, driven by exceptionally strong levels of M&A activity and completions ahead of the Autumn Budget on 30 October 2024, and successfully acquired DR Solicitors.*

The Board would like to thank all our Licensee Partners and Employees for their resilience, hard work and commitment to the DSW brand and welcome our new colleagues at DR.

Network Revenue in the Period was £7.8m, compared to £7.3m in H1 24. This resulted in similar Total Income from Licensees in the Period of £1.1m (H1 24: £1.1m) and a small reduction in Adjusted Pre-Tax Profit to £153k (H1 24: £190k).

The Group's cash at the half year end was in line with management expectations at £2.3m (FY24: £2.6m), reflecting the low level of profitability whilst the M&A markets were subdued, and a dividend payment of £0.2m in September 2024.

The central office team is continuing to deliver outstanding support to all our licensees, both new and existing. We concluded the first half of the year with our Group conference, which was attended by around 100 partners, employees, and central office team members.

The agenda was packed with exciting highlights, including the launch of our new DSW Intranet site, which has been designed to enhance collaboration and knowledge sharing among our teams. We also celebrated individual successes

at the inaugural DSW Impact Awards, recognising the remarkable contributions of individuals from across DSW.

Our licensee recruitment was focused on organic recruitment in the Period, reflecting the rising levels of M&A activity anticipated by our licensees, as shown in the table below.

	FY23	H1 FY24	FY24	H1 FY25
Partners	42	48	50	49
Employees	55	56	57	63
<b>Total Fee Earners</b>	<b>97</b>	<b>104</b>	<b>107</b>	<b>112</b>

## Vision and strategy

DSW Capital is the owner of the Dow Schofield Watts brand, which is the predominant brand it licences to licensee businesses, and DR Solicitors, our legal services brand. Our vision is to become the most sought-after destination for ambitious, entrepreneurial professionals to start and develop their own businesses. We aim to scale the business through organic growth, adding new service lines and expanding our geographic footprint, but also through acquisitions, and investing in "Break Outs", which extracts existing teams from larger firms.

	FY23	H1 FY24	FY24	H1 FY25
Licensee businesses	21	25	25	24

Conditions in the partner recruitment market appeared to tighten in the Period, perhaps also reflecting the upturn in M&A activity anticipated in the run up to the Autumn Budget on 30 October 2024.

As at 30 September 2024, we have increased the number of Fee Earners in the Network by 30 or 36.6%, since IPO in December 2021.

We are in constant dialogue with businesses looking to join DSW and successfully acquired DR Solicitors shortly after the Period end. This acquisition brings a highly scalable, cash generative, and profitable Legal Platform to the Group. Importantly, and in line with the Board's stated diversification strategy, the acquisition materially reduces the Group's reliance on the cyclical SME M&A market from 67% of revenue to around a third.

The cultural synergies between the two businesses are excellent, with DR Solicitors' strong, proven and committed management team sharing DSW Capital's vision and ambition.

DR Solicitors provides legal services to GPs and Primary Care Networks, broadening the Group's offering whilst enabling DSW Capital to continue to enjoy its strong referral network in the other markets in which it operates.

The Acquisition of DR Solicitors is expected to be immediately and significantly earnings-enhancing.

## People

On 5 August 2024, we appointed Shrutisha ("Shru") Morris as the Deputy CEO. We were extremely fortunate to have found such a capable and committed executive. She has quickly earned the respect of our stakeholders, and I am delighted to confirm today that she has been appointed as CEO Designate, and as of 1 April 2025, Shru will become Chief Executive of DSW Capital.

My decision to transfer the CEO responsibilities has been taken to maximise the prospects of the Group and I am sure Shru will take the business forward with calmness, vigour and enthusiasm.

My new role as an Executive Director, thereafter, will be to provide the other executive directors with ongoing strategic counsel. I also expect to continue to play a vital role in attracting new businesses and partners to the Group, as well as fulfilling an Ambassadorial role for both our DSW and Pandea networks, of which I am a founder.

In addition to the above, following Pete Fendall's exemplary service as COO & Interim CFO, I am delighted to confirm that he has today been appointed as our Chief Finance & Operating Officer. This promotion is a testament to his unwavering dedication and the exceptional capabilities he has demonstrated at DSW.

## Dividend

Since the end of the Period, we have acquired DR Solicitors for £6.1m, with £4.3m in cash, being funded by our cash balances and a three-year RCF of £3m secured with OakNorth Bank plc. With an exceptional trading result for October 2024 and the immediate contribution from DR Solicitors, we are pleased to declare an interim dividend of 1.0p per share, representing one third of the intended total dividend for FY25. The interim dividend will be paid on 10 January 2024 to shareholders on the register on 13 December 2024 with the shares going ex-dividend on 12 December 2024.

The Board remains committed to its progressive dividend policy.

## Current trading and outlook

As previously reported, the momentum gained in September 2024 continued in October, generating exceptional levels of M&A activity as businesses looked to complete transactions ahead of the Autumn Budget. Deal volumes in November and December, however, are likely to be subdued, as many transactions were brought forward to beat the Budget. We expect activity to return to normal levels in Q4 25.

The Group's results, which are typically weighted towards the second half of the financial year due to the recognition of profit share income, will benefit both from the contribution of DR Solicitors and the exceptional M&A performance in October 2024, which delivered increased deal volumes and deal values. As a result, the Board is expecting FY25 consolidated Network Revenue to be c.£23.0m (FY24: £16.0m), leading to total income of c.£4.7m (FY24: £2.4m) and Adjusted Pre-Tax Profit of c.£1.45m (FY24: £0.5m).

The Group entered H2 25 in better shape than it has ever been with a more diversified and resilient business and significantly reduced dependency on M&A activity. While always mindful of macro-economic and political uncertainties, the Board is confident in the Group's growth strategy and continues to invest in the long-term future of the business.

### James Dow

Chief Executive Officer

# INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 September 2024

	Note	Six months ended 30 Sept 2024 £'000	Six months ended 30 Sept 2023 £'000
<b>Continuing operations</b>			
Revenue	6	1,088	1,108
<b>Gross profit</b>		<b>1,088</b>	<b>1,108</b>
Share of results of associates		9	20
Share of results of jointly controlled entity		37	45
Administrative expenses		(1,144)	(1,331)
<b>Operating loss</b>		<b>(10)</b>	<b>(158)</b>
<b>Adjusted operating profit<sup>1</sup></b>		<b>42</b>	<b>95</b>
Share based payments expense		(52)	(253)
<b>Operating loss</b>		<b>(10)</b>	<b>(158)</b>
Finance income		125	109
Impairment of loans due from associated undertakings		-	2
Finance costs		(14)	(16)
<b>Profit / (loss) before tax</b>		<b>101</b>	<b>(63)</b>
<b>Adjusted Profit before tax<sup>2</sup></b>		<b>153</b>	<b>190</b>
Share based payments expense		(52)	(253)
<b>Profit / (loss) before tax</b>		<b>101</b>	<b>(63)</b>
Income tax		(35)	(40)
<b>Profit / (loss) for the half-year</b>		<b>66</b>	<b>(103)</b>
Total comprehensive income / (expenditure) attributable to owners of the Company		<b>66</b>	<b>(103)</b>
<b>Earnings / (loss) per share</b>			
From continuing operations			
Basic	4	£0.003	(£0.005)
Diluted	4	£0.003	(£0.005)

<sup>1</sup> Adjusted operating profit, which is defined as operating profit adjusted for items not considered part of underlying trading, which in the current and prior period represents share based payments, is a non GAAP metric used by management and is not an IFRS disclosure.

<sup>2</sup> Adjusted profit before tax, which is defined as profit before tax adjusted for items not considered part of underlying trading, which in the current and prior period represents share based payments, is a non GAAP metric used by management and is not an IFRS disclosure.



# INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six month period ended 30 September 2024

	Note	As at 30 Sept 2024 £'000	As at 31 March 2024 £'000
<b>Non-current assets</b>			
Intangible assets		677	696
Property, plant and equipment		319	363
Lease receivable		57	82
Investments	9	1,503	1,499
Investments in associates	9	73	145
Interests in jointly controlled entities	9	34	21
Prepayments and Accrued Income	10	782	800
Deferred Tax asset		2	2
		<b>3,447</b>	<b>3,608</b>
<b>Current assets</b>			
Trade receivables	10	1,006	839
Prepayments and Accrued Income	10	385	452
Other receivables	10	1,107	978
Current tax asset		-	30
Lease receivable		47	49
Cash and bank balances		2,331	2,632
		<b>4,876</b>	<b>4,980</b>
<b>Total assets</b>		<b>8,323</b>	<b>8,588</b>
<b>Current liabilities</b>			
Trade payables		146	192
Other taxation		159	179
Other payables		29	84
Accruals and Deferred Income		52	94
Current tax liabilities		15	-
Lease liability		154	153
		<b>555</b>	<b>702</b>
<b>Net current assets</b>		<b>4,321</b>	<b>4,278</b>
<b>Non-current liabilities</b>			
Lease liability		140	218
Dilapidation provision		83	80
		<b>223</b>	<b>298</b>
<b>Total liabilities</b>		<b>778</b>	<b>1,000</b>
<b>Net assets</b>		<b>7,545</b>	<b>7,588</b>
<b>Equity</b>			
Share capital		55	55
Share premium		5,268	5,268
Share-based payment reserve		550	498
Retained earnings		1,672	1,767
<b>Total Equity attributable to owners of the Company</b>		<b>7,545</b>	<b>7,588</b>

The interim statements were approved and authorised for issue by the Board of Directors on 22 November 2024 and were signed on its behalf by James Dow, Chief Executive Officer.

# INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 September 2024

	Share capital	Share premium	Share-based payments reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2023</b>	<b>55</b>	<b>5,271</b>	<b>1,868</b>	<b>701</b>	<b>7,895</b>
Loss for the half-year	-	-	-	(103)	(103)
Dividends	-	-	-	(422)	(422)
Share-based payments	-	-	253	-	253
Issue of shares in period	-	(3)	-	-	(3)
<b>Balance at 30 Sept 2023</b>	<b>55</b>	<b>5,268</b>	<b>2,121</b>	<b>176</b>	<b>7,620</b>
Profit for the half-year	-	-	-	187	187
Dividends	-	-	-	(265)	(265)
Share-based payments	-	-	46	-	46
Issue of shares in period	-	-	-	-	-
Reserves transfer	-	-	(1,669)	1,669	-
<b>Balance at 1 April 2024</b>	<b>55</b>	<b>5,268</b>	<b>498</b>	<b>1,767</b>	<b>7,588</b>
Profit for the half-year	-	-	-	66	66
Dividends	-	-	-	(161)	(161)
Share-based payments	-	-	52	-	52
Issue of shares in period	-	-	-	-	-
<b>Balance at 30 Sept 2024</b>	<b>55</b>	<b>5,268</b>	<b>550</b>	<b>1,672</b>	<b>7,545</b>

# INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended 30 September 2024

	Note	Six months ended 30 Sept 2024 £'000	Six months ended 30 Sept 2023 £'000
<b>Profit / (loss) for the half-year</b>		<b>66</b>	<b>(103)</b>
Adjustments for:			
Income tax expense		35	40
Net interest income		(111)	(93)
Depreciation of property, plant and equipment		78	70
Amortisation of intangible assets		22	24
Impairment of loans due from associated undertakings		-	(2)
Share-based payment expense		52	253
<b>Operating cash flows before movements in working capital</b>		<b>142</b>	<b>189</b>
Increase in trade and other receivables		(215)	(326)
Decrease in trade and other payables		(163)	(186)
Decrease in amounts owed from associates and jointly controlled entities in relation to profit share		60	47
<b>Cash used by operations</b>		<b>(179)</b>	<b>(276)</b>
Income taxes received / (paid)		9	(120)
<b>Net cash outflow from operating activities</b>		<b>(170)</b>	<b>(396)</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment		(32)	(16)
Investments made in period	9	-	(986)
<b>Net cash used in investing activities</b>		<b>(32)</b>	<b>(1,002)</b>
<b>Financing activities</b>			
Dividends paid	8	(161)	(422)
Finance lease payments		(90)	(53)
Lease receivable amounts received		32	-
Interest received		120	109
Costs of issue of ordinary shares		-	(3)
<b>Net cash used in financing activities</b>		<b>(99)</b>	<b>(369)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(301)</b>	<b>(1,767)</b>
Cash and cash equivalents at beginning of half-year		2,632	4,584
<b>Cash and cash equivalents at end of half-year</b>		<b>2,331</b>	<b>2,817</b>

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION

## 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 interim condensed consolidated financial information is presented in Pounds Sterling (£), which is the currency of the economic environment in which the Group operates. All amounts are rounded to the nearest thousand (£'000) except when noted.

## 2. Basis of preparation

This condensed consolidated interim financial information for the 6 months to 30 September 2024 has been prepared in accordance with IAS 34 'Interim financial reporting' and also in accordance with the measurement and recognition principles of UK adopted international accounting standards. It does not include all of the information required for full annual financial statements and should be read in conjunction with the Annual Report and Accounts for the year ended 31 March 2024. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Interim Report has not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

### Significant Accounting Policies

The accounting policies used in the preparation of the interim financial information for the six months ended 30 September 2024 are in accordance with the recognition and measurement criteria of UK Adopted International Accounting Standards and are consistent with those which were adopted in the annual statutory financial statements for the year ending 31 March 2024.

### Use of estimates and judgements

There have been no material revisions to the nature of estimates and judgements of amounts reported in prior periods.

### Going concern

The interim financial information has been prepared on a going concern basis as the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group had no debt and £2.3m cash at 30 September 2024.

DSW Capital entered into a £3m revolving credit facility (the "RCF") with OakNorth Bank plc on 1 November 2024 to help fund the acquisition of DR Solicitors Limited. 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. The Group's forecasts and projections show that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the Group continue to adopt the going concern basis in preparing the interim financial information.

## Accounting Developments

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.

*Amendment to IAS 1*

*Classification of Liabilities as Current or Non-current*

*Amendment to IAS 1*

*Non-current liabilities with Covenants*

## 3. Adjusted PBT

Adjusted PBT is utilised as a key performance indication for the Group and is calculated as follows:

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 £'000
Profit / (loss) before tax	101	(63)
Share based payments	52	253
<b>Adjusted PBT</b>	<b>153</b>	<b>190</b>

## 4. Earnings per share

### From continuing operations

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

Earnings	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 £'000
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the Company	66	(103)
Effect of dilutive potential ordinary shares:	-	-
<b>Earnings for the purposes of diluted earnings per share</b>	<b>66</b>	<b>(103)</b>

	Six months ended 30 September 2024	Six months ended 30 September 2023
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	21,414,175	21,086,175
Effect of dilutive potential ordinary shares:		
Shares held in EBT	512,185	840,185
<b>Weighted average number of ordinary shares for the purposes of diluted earnings per share</b>	<b>21,926,360</b>	<b>21,926,360</b>

## From continuing operations

	Six months ended 30 September 2024	Six months ended 30 September 2023
Earnings	£	£
Basic earnings / (loss) per share	0.003	(0.005)
Diluted earnings per share	0.003	(0.005)

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

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

	Six months ended 30 September 2024	Six months ended 30 September 2023
	£	£
Profit / (loss) after tax on continuing operations	66	(103)
Adjusted for:		
Share-based payment expense	52	253
Adjusted earnings for the purposes of adjusted basic and adjusted diluted earnings per share	118	150

	Six months ended 30 September 2024	Six months ended 30 September 2023
Earnings	£	£
Adjusted basic earnings per share	0.006	0.007
Adjusted diluted earnings per share	0.005	0.007

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, and shares held by the group's employee benefit trust.

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.

## 5. Profit / (loss) for the year

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

	Six months ended 30 September 2024	Six months ended 30 September 2023
	£	£
Depreciation of property, plant and equipment	78	70
Amortisation	22	24
Employee pension	5	10
Expected credit loss - license fees	7	8
Expected credit loss - outstanding loans	-	(2)
Expected credit loss - profit share	(7)	(7)

## 6. Revenue

The disclosure of revenue by product line is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8.

### Disaggregation of revenue

	Six months ended 30 September 2024	Six months ended 30 September 2023
	£	£
<b>External revenue by product line</b>		
Licence Fee Income	1,081	1,108
Profit Share Income	7	-
<b>Total Revenue</b>	<b>1,088</b>	<b>1,108</b>

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

	Six months ended 30 September 2024	Six months ended 30 September 2023
	£	£
<b>External revenue by reporting line</b>		
Licence fees attributable to Mergers & Acquisitions (M&A)	722	800
Licence fees attributable to Other	359	308
Profit share attributable to M&A	7	-
<b>Total Revenue</b>	<b>1,088</b>	<b>1,108</b>

## 7. Taxation

Tax for the Period is charged at 25% (6 months ended 30 September 2023: 25%; year ended 31 March 2024: 25%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the 6 month period.

## 8. Dividends

The final ordinary dividend for the year ended 31 March 2024 of £0.075 per share as proposed in the 31 March 2024 financial statements and approved at the Group's AGM was paid on 27 September 2024.

In addition, since the end of the half-year the Directors have recommended the payment of an interim dividend of 1.00 pence per fully paid ordinary share. The proposed interim dividend was approved by the Board on 18 November 2024. The interim dividend will be paid on 10 January 2025 to shareholders on the register on 13 December 2024 with the shares going ex-dividend on 12 December 2024. In accordance with IAS10 "Events after the Balance Sheet Date", these dividends have not been reflected in the Interim Report.

## 9. Investments

	Group As at 30 September 2024 £'000	Group As at 31 March 2024 £'000
<b>Financial assets measured under the equity method</b>		
Investment in Associates	73	145
Investment in jointly controlled entities	34	21
<b>Financial assets measured at amortised cost</b>		
Other investments	1,503	1,499
<b>Total Investments</b>	<b>1,610</b>	<b>1,665</b>

The movement in Investment in Associates and Investments in jointly controlled entities is included in the cashflow statement as a decrease in amounts owed from associates and jointly controlled entities in relation to profit share.

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.



## 10. Trade and other receivables

	Group As at 30 September 2024 £'000	Group As at 31 March 2024 £'000
Trade receivables	1,088	914
Loss allowance	(82)	(75)
	<b>1,006</b>	<b>839</b>
Other receivables	1,475	1,346
Loss Allowance	(368)	(368)
	<b>1,107</b>	<b>978</b>
Prepayments and Accrued Income	1,168	1,260
Loss Allowance	(1)	(8)
	<b>1,167</b>	<b>1,252</b>
	<b>3,280</b>	<b>3,069</b>

Included in prepayments and accrued income are contract assets amounting to £782k (March 2024: £800k) due in greater than 1 year.

Other receivables are made up from loans due from licensees, and prepayments and accrued income relates to profit share due from licensees and contract assets. 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.

### 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 21.5 Years. In the Period ended 30 September 2024, amortisation amounting to £13k was recognised within admin expenses (year ended 31 March 2024: £14k was recognised in admin expenses).

	As at 30 September 2024 £'000	As at 31 March 2024 £'000
<b>Contract assets</b>		
Breakout Incentives	361	369
Below Market Element of Loans to Licensees	433	438
	<b>794</b>	<b>807</b>
Current	26	24
Non-Current	768	783
<b>Total Investments</b>	<b>794</b>	<b>807</b>

## 11. Events after the reporting period

On 4 November 2024, DSW Capital acquired 100% of the shares in DR Solicitors Limited ("DR"), a nationally recognised law firm, for a total consideration of £6.1m, satisfied by £4.3m in cash and £1.8m of new ordinary shares of £0.0025 each in DSW Capital. The cash consideration is being funded from the Group's cash reserves and a new £3m revolving credit facility (the "RCF").

DSW Capital entered into the 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 £3m, and the Company has drawn down the full amount to help fund the DR Acquisition. 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.

At the time of issuing this Interim Report, the initial accounting for the acquisition is incomplete. As such, full disclosures will be made in the financial statements for the year ended 31 March 2025.

## 12. Related party transactions

Balances and transactions between the Company and its 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.

### 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.

	Six months ended 30 September 2024 Revenue and Cost Recharges £'000	Six months ended 30 September 2023 Revenue and Cost Recharges £'000
PHD Industrial Holdings	104	100
DSW Investments 2 LLP	(54)	(53)
Other investments	354	274
<b>Totals</b>	<b>404</b>	<b>321</b>

Other investments relate to routine and similar transactions which arose in the ordinary course of business, with DSW CF Leeds, DSW TS Leeds, DSW Business Recovery and DSW Bridgewood.

### Amounts due from/to related parties

Group entities had the following balances, including loans to related parties, outstanding at period end with related parties who are not members of the Group:

	30 September 2024 Amounts due from/(to) related parties £'000	30 September 2023 Amounts due from/(to) related parties £'000
PHD Industrial Holdings	15	15
DSW Investments 2 LLP	(36)	(32)
Other investments	195	248
<b>Totals</b>	<b>174</b>	<b>231</b>