DSWCapital

Annual Report and Accounts

FOR THE YEAR ENDED **31 MARCH 2026**

QCA
CODE
VERIFIED VERSION
ESTABLISHED
2013

Definitions

Company or **DSW Capital** or **DSW**	DSW Capital plc, registered as a public company in England and Wales, with registered number: 07200401
DR Solicitors	DR Solicitors Limited, registered as a limited company in England and Wales, with registered number: 06122637
DSW Legal	DSW Legal is a registered trading style of DR Solicitors Limited
Group or **DSW Group**	The Company and its Subsidiaries, DSW Services LLP (Registered number: OC397251), DSW Operations Limited (Registered number: 14425970) & DR Solicitors Limited (Registered number: 06122637)
Network or **DSW Network**	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

£22.8m
Network Revenue[1]
(FY25: £25.8m)

DR Solicitors Fee Earners increase by 48% to 31
(FY25: 21)

7.6%
3-year Network Revenue CAGR
(FY25: 12.2%)

£163k
Revenue per Fee Earner
(FY25: £214k)

135
Fee Earners
(FY25: 136)

5.9 FEs
per business
(FY25: 5.2 FEs)

23
Network Members
(FY25: 26)

Market Recognition

14th Most active financial adviser in the UK in 2025[2] *(2024: 15th)*

Professional Services Company of the Year Finalist at UK British Business Awards

9th Most active financial adviser in Yorkshire & Humber in 2025[2] *(2024: 9th)*

Winner of Mid-Market Corporate Finance Team of the Year (Dealmaker Awards)

7th Fastest growing legal platform firm in sub-30 fee earner category in 2025[3]

Winner of Transaction Services Team of the Year 2025 (Rainmaker Awards)

37 Award Nominations in 2025

Winner of Young Accountant of the Year (Insider Young Professional Awards)

Ranked 53rd in Accountancy Age 50+50 for 2025, up 17 places

[1] *Network Revenue is revenue generated by the DSW licensees and DR Solicitors*
[2] *MA-Full-year-report-2025-V3.pdf*
[3] *Platform Firms Report 2025 by Codex Edge*

DSW Capital KPIs

£6.3m
Total income*
26% YoY increase

£1.7m
DSW Capital Adjusted EBITDA**
↑ (FY25: £1.8m)

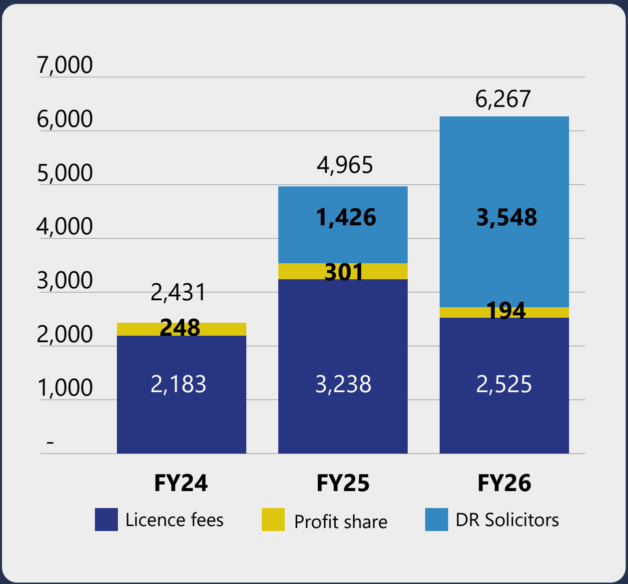
£10.0m
Net Assets
(FY25: £10.0m)

£1.8m
Cash Generated from Operations
(FY25: £2.0m)

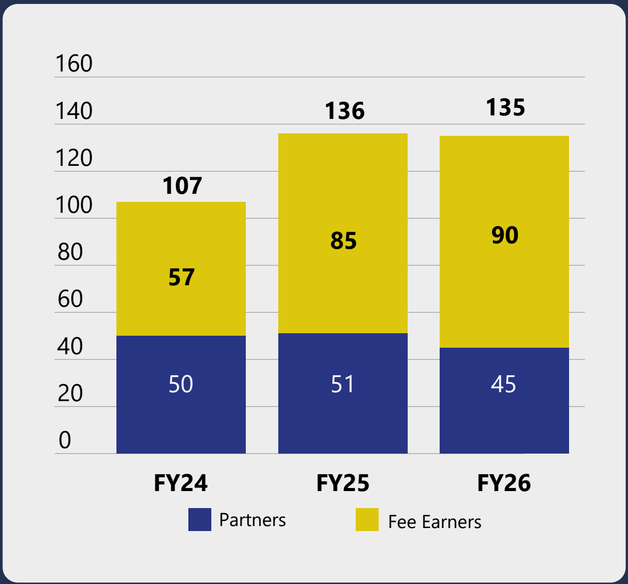
£2.0m
Cash
(FY25: 2.7m)

£0.8m
Profit before tax
(FY25: £1.3m)

Total Income



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 adjusted profit before tax amended to add back net finance costs depreciation, amortisation, impairment of loans due from associated undertakings, and deduct finance income.*

CONTENTS

Empowering pioneers

Pioneers don't wait for opportunity—they create it. They challenge convention, build businesses and shape the future. At Dow Schofield Watts, we exist to empower ambitious professionals with the freedom, support and confidence to realise their potential and help entrepreneurial businesses to thrive.

Built for ambitious professionals

Our platform brings together experienced professionals across corporate finance, accountancy, tax, legal and specialist advisory services. Combining entrepreneurial freedom with the strength of a national brand, shared infrastructure and expert support, we enable our Partners to focus on what they do best—building exceptional businesses and delivering outstanding advice to their clients..

A platform built to grow

Since 2002, we have been redefining what a professional services firm can be. What began as a pioneering corporate finance business has evolved into a diversified professional services group, attracting exceptional entrepreneurial talent from across the UK. As our platform grows, so do the opportunities for our people, our clients and our shareholders.

Entrepreneurs supporting entrepreneurs

Every business within the Dow Schofield Watts network is led by entrepreneurs who understand the challenges, ambitions and decisions facing owner-managed businesses. That shared mindset creates trusted relationships, practical advice and long-term partnerships that help our clients achieve their goals at every stage of their journey.

DSW AT A GLANCE

Our Vision

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

Our FY26 Highlights

Scaling DR Solicitors

- DR Fee Earners increased by 48% to 31, driving growth in Revenue and chargeable hours.
- Revenue increased by 12% on an annualised basis, reflecting strong underlying demand and improved utilisation.
- Recruitment of a specialist corporate legal team (dental and pharmacy) in October 2025, enhancing sector depth.

Strong Financial Discipline

- Strong cash generation delivered 109% operating cash conversion, with cash of £2.0m at 31 March 2026 after repaying £1.0m of the Group's £3.0m OakNorth revolving credit facility.
- Proposed final dividend of 2.0p (FY25: 2.0p), taking total FY26 dividend to 3.2p (FY25: 3.0p).

Strategic Progress

- Acquisition and integration of DR Solicitors progressing well, supported by investment in central infrastructure and a one-platform operating model.
- Diversification advanced materially, reducing the Group's reliance on M&A, which now accounts for only 31% of total income (FY25: 55%).

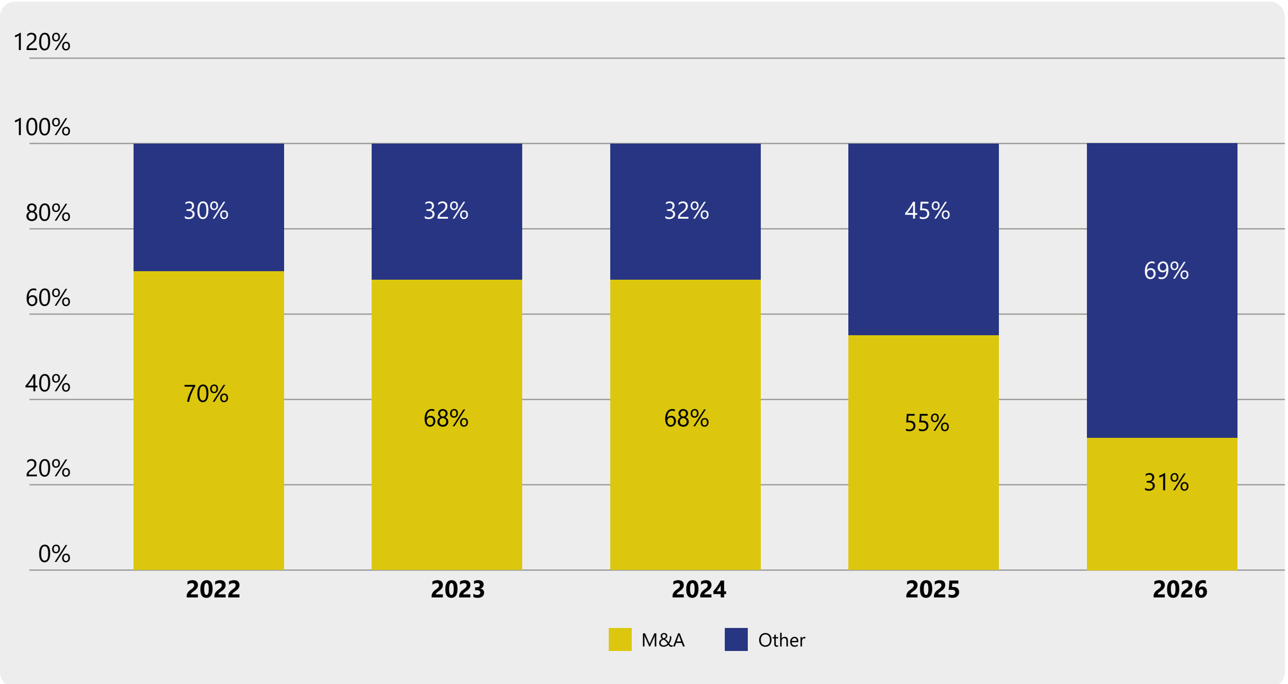
Operational Excellence

- Appointment of a Head of Operations and investment in IT Resources to support the expansion of the DSW Platform model.
- Recruitment of Sales team in DR Solicitors to increase opportunities and strengthen conversion rates.
- Launch of the Group's AI strategy, including trials of selected tools to:
  - support technology-enabled client delivery;
  - streamline onboarding processes; and
  - enhance talent attraction and retention.

Current Trading & Outlook

- Encouraging start to FY27, with the Network reporting deal activity regaining some momentum.
- Acquisition of Integer Advisory Limited by an existing licensee, supported by DSW Capital to bolster capability in public sector advisory services.
- In July 2026 we also added a Transaction Services business in Southampton further expanding our geographic reach.
- The business is performing well and trading in line with Board expectations, with a growing pipeline of opportunities to further scale the platform.
- Legal division scaling accelerated through:
  - launch of DSW Legal; and
  - appointment of James Mallender, Managing Director, overseeing both DR Solicitors and DSW Legal.

M&A Weighting



DSW AT A GLANCE

Our People

As at 31 March 2026, we had 135 Fee Earners, 23 network members and 12 offices across the UK. Our network of professionals provides expert advice across 10 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 Funding
- Business Planning
- Asset Based Lending Risk Management
- Legal Services

Start

Start-up with confidence.

For Partners seeking more freedom and autonomy away from traditional firms Dow Schofield Watts provides a structured and supported route to building and leading their own practice with the full back office support and the backing of an established brand.

Scale

Realise ambitions

We're there to empower teams and individuals to scale without the friction of traditional firm structures. Backed by start-up funding and central infrastructure support, they not only retain leadership, culture and client relationships but can also invest to scale faster and more effectively.

Succession

Realise value

We work in partnership with founders of established firms to accelerate growth, access capital and provide operational support whilst reducing the burden of running a business and planning for succession and long-term value realisation.

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.

Our Strategy

At the heart of our strategy is our vision: to empower entrepreneurs 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 was to strengthen our brand proposition among professionals in the financial services sector while also reaching new audiences within the legal sector. Our strategic framework is 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 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

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. During the year, we invested in our legal platform, strengthened our central services capability, and advanced our use of AI and technology to improve efficiency, scalability and service delivery. We also welcomed a new Head of Operations to drive optimisation across the platform, and deliver excellence to help retain and recruit talent across the Group.

Looking ahead, we will enhance our "plug-and-play" platform creating a 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 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.

DSW AT A GLANCE

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 build successful businesses within the DSW network, helping our licensees 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, with the recent launch of DSW Legal, inviting lawyers to bring their own work (Originating Consultants) and the Breakout incentive to attract new teams to our legal division.

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.

Target acquisition service lines include:

- **Employer solution services**
- **Niche legal services**
- **Existing service lines in new locations**
- **Tax related services and family office**
- **Other Big 4 (non-audit) service lines**

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.

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 135, representing a three-year CAGR of 11.6%. 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 FY26, the Group generated £1.8m 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[1]. DR Solicitors, now part of the Group, brings a highly regarded brand in the healthcare legal sector and was ranked the 7th fastest-growing legal platform in the sub-30 fee earner category in 2025.

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 DR Solicitors, which has materially reduced our reliance on M&A-related income to 31% of Network Revenue in FY26 (FY25: 55%), with a full year's contribution included for the first time.

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 £3.0m revolving credit facility, which provided additional capital to acquire DR Solicitors. With cash of £2.0m and headroom on our revolving credit facility, 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

Our diverse Group of businesses, strong brand legal platform, means we are well positioned to grow our Network, fee earner headcount and capitalise on M&A opportunities.

Dividend Yield

DSW has delivered a dividend yield between 3.9% and 7.3% to shareholders since IPO. The final proposed dividend for FY26 of 2.0p takes the total paid to shareholders since IPO to 16.18p.

[1] *https://www.experian.co.uk/content/dam/marketing/uki/uk/en/pdf/ED26-430-MA-Full-yearreport-2025.pdf*

[2] *https://www.codexedge.com/wp-content/uploads/2026/05/Platform-Firms-Report-2026.pdf*

BUSINESS REVIEW

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 Licence Model – Empowering Pioneers

DSW is one of the first platform models to disrupt the traditional model of professional services firms. At 31 March 2026, the Network included 23 network members and 135 Fee Earners ("FEs"), across twelve offices in England. These trade primarily under the Dow Schofield Watts and DR Solicitors brands.

BUSINESS REVIEW

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 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 2026, DR Solicitors has 31 fee earners.

The benefits of our model

To DSW Capital

Recurring, diversified income

Our revenue-based licence model delivers high-quality recurring income while reducing reliance on M&A. With DR Solicitors, 69% of FY26 revenue came from non-M&A activity (up from 45% in FY25), providing greater resilience and diversification following the acquisition of DR Solicitors.

Low fixed-cost model

Property and employment costs sit within the licensee businesses, allowing DSW to operate a lean, scalable central team.

Focus on clients, not administration

We provide IT, compliance, finance, HR, marketing and operational support, allowing Partners to focus on winning work and serving clients.

Freedom to succeed

Partners have the flexibility to build their business their way, making DSW an attractive alternative to traditional firms.

Capital light and cash generative

Start-up investments are typically under £0.5m with an average two-year payback. Strong cash conversion is supported by the licence model and partner-led working capital.

To Licensees

Flexible Start up funding

Tailored funding removes barriers to launching a business, covering start-up costs, working capital and drawings while reducing personal financial risk.

Strength of the DSW brand

An established brand enhances credibility, attracts better clients and talent, and supports stronger fee rates.

Ready from day one

Our complete support infrastructure enables new Partners to launch quickly and concentrate on building their business.

Control over your business

Partners decide how they run their business, recruit their team, price services and where they work, sharing directly in their success.

Power of the network

Access to complementary specialists generates valuable referrals and fee-sharing opportunities, supported by regular networking and collaboration.

To consultants

Focus on legal delivery

DR Solicitors provides a strong pipeline of quality work, allowing consultants to concentrate on clients rather than business development.

Join a respected specialist brand

Consultants benefit from DR Solicitors' reputation, collaborative culture and recognised expertise in healthcare law.

Minimal administration

Billing, compliance and administration are managed centrally, allowing consultants to maximise billable time.

Work your way

Consultants choose when and where they work while enjoying greater independence and work-life balance.

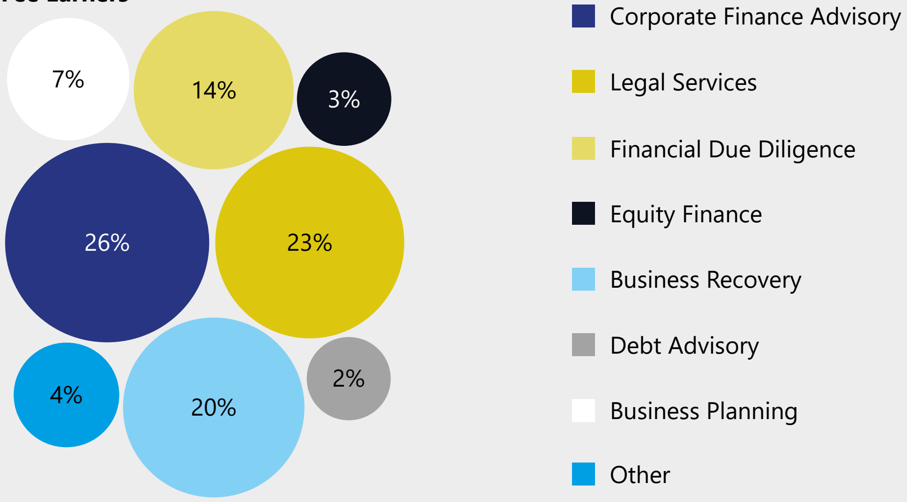
Higher earning potential

Consultants retain a significant share of their billings and are paid without waiting for client payments, creating a compelling financial proposition.

Our Network

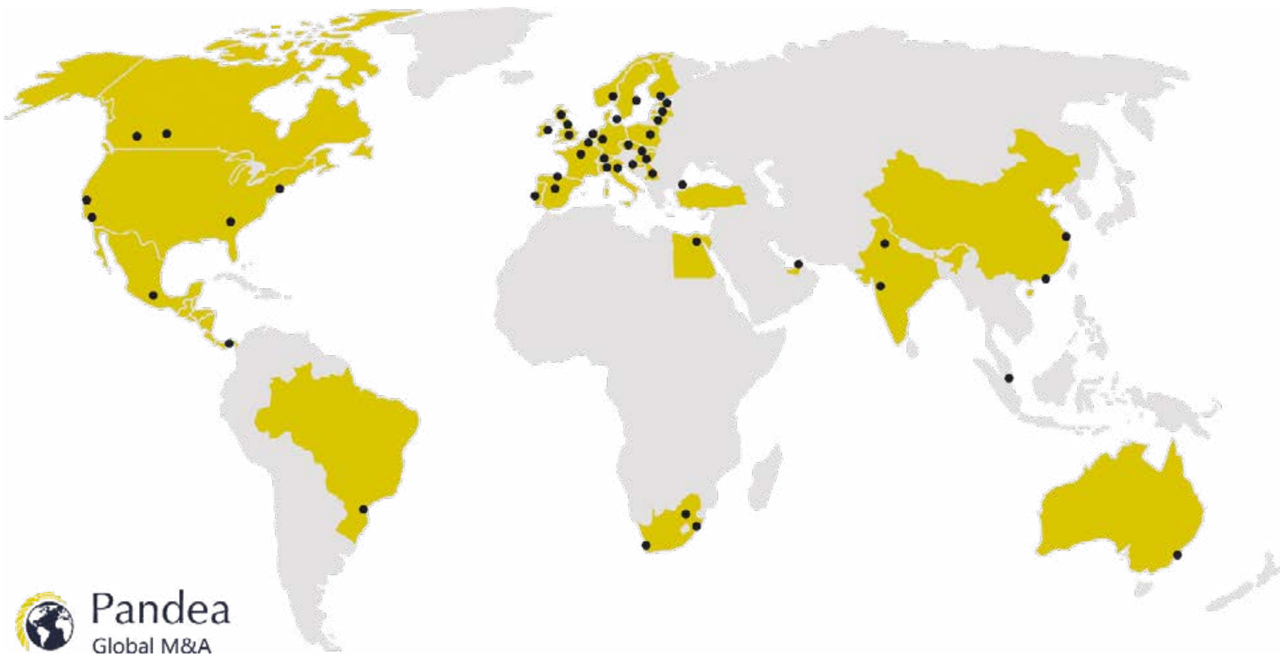
At 31 March 2026, the Group had 135 Fee Earners ('FEs'), and 23 network members, with an average of 5.9 FEs per business. These businesses cover 10 service lines offering niche, high margin, complementary services to our clients.

Service Line by Fee Earners



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 is one of the top five largest international M&A advisor networks, with 41 members firms covering 36 countries, represented by over 400 dealmaking professionals in 68 offices. 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 2025, the Pandea Global M&A network members completed 227 deals. We view the network as another potential growth avenue and source of new business for DSW Capital.



36	68	2,500+	€50BN	400+
Countries	Offices	Deals Closed	Deal Value	Professionals

OUR MARKETS

Overview of the Financial, Professional and Business Services sector

Professional services remain a cornerstone of the UK economy and have continued to play a critical stabilising role over the 12 months. The sector underpins business investment, capital allocation and economic activity across multiple industries, providing essential advisory, legal and financial expertise during a period of subdued growth and heightened uncertainty. Despite weaker business confidence and constrained investment conditions, firms have remained highly reliant on professional advisers to navigate regulatory change, manage costs, execute transactions and address increasingly complex operational challenges. This resilience reflects the structural importance of the sector, both as a major employer and as an enabler of broader economic productivity, with demand particularly strong in areas requiring specialist judgement, sector expertise and strategic insight. In a low-growth environment, the role of professional services has become more pronounced, supporting businesses to adapt, restructure and position for recovery while contributing to the UK's long-term competitiveness and attractiveness for investment.

Economic conditions, however, declined sharply towards the end of the financial period following the escalation of conflict in the Middle East at the end of February. Oil and gas prices spiked with the burden starting to feed through to businesses, eroding confidence and subsequently deal activity in March. Evidence of inflationary pressures impacted the Bank of England's decision to hold Bank Rate at 3.75% in their March meeting – a cut had been widely expected before the outbreak of war, further impacting deal activity with dealmakers remaining cautious in their expectations for the remainder of 2026.

Private Equity buyers, and consolidation in the Professional Services sector, have 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 opportunities to attract high calibre candidates, as equity partner opportunities diminish.

Investment in AI underlines the need for DSW to remain competitive by embracing digital service innovations and expanding our service lines. During the year, DSW has launched an AI steering committee and AI software to help enhance our client service to enable us to focus on our partner led, valued added offering.

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.

DR Solicitors exemplifies this innovation with its unique 'delivery-only' model, which has driven notable growth in 2026. 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 healthcare sector, has enabled the firm to attract top-tier legal talent.

During the year, DSW opened its platform to "Originating Consultants": high-calibre senior lawyers from across the UK legal mid-market who bring established client relationships and networks. These consultants benefit from a best-in-class platform and the unique opportunity to receive referrals from DSW's financial advisory business.

DSW also launched "DSW Legal", a new brand created for ambitious legal professionals and entrepreneurs who want to establish and grow their own business. The proposition enables them to mirror the success of DSW's financial advisory teams, while benefiting from the strength of the brand and the support of an established legal platform.

Market Dynamics

There are several 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. Platform Firms are no longer defined solely by flexibility or fee-share economics. They are investing in infrastructure, support and culture to operate effectively at scale, attracting lawyers who want autonomy and financial transparency without sacrificing quality, collaboration or professional support.

DR Solicitors' specialist focus, investment in AI and flexible structure across the newly launched DSW Legal division make it an attractive platform for legal professionals looking to operate with independence while benefiting from the support of a well-established brand and an established referral network.

NHS funding and Advisory Demand

DR Solicitors is a well-established and trusted adviser within the healthcare sector, with a strong reputation for supporting clients through an evolving landscape. Changes in NHS funding and the continued shift towards GP neighbourhood structures are increasing demand for strategic, commercially focused advisory services.

Healthcare businesses are increasingly seeking experienced advisers who can help them navigate regulatory complexity, manage risk and make informed, forward-looking decisions. This creates a compelling growth opportunity for DR Solicitors. With deep sector expertise and a partner-led model, DR Solicitors is particularly well positioned to deliver tailored, pragmatic advice that aligns legal insight with commercial outcomes.

OUR MARKETS

Competitors

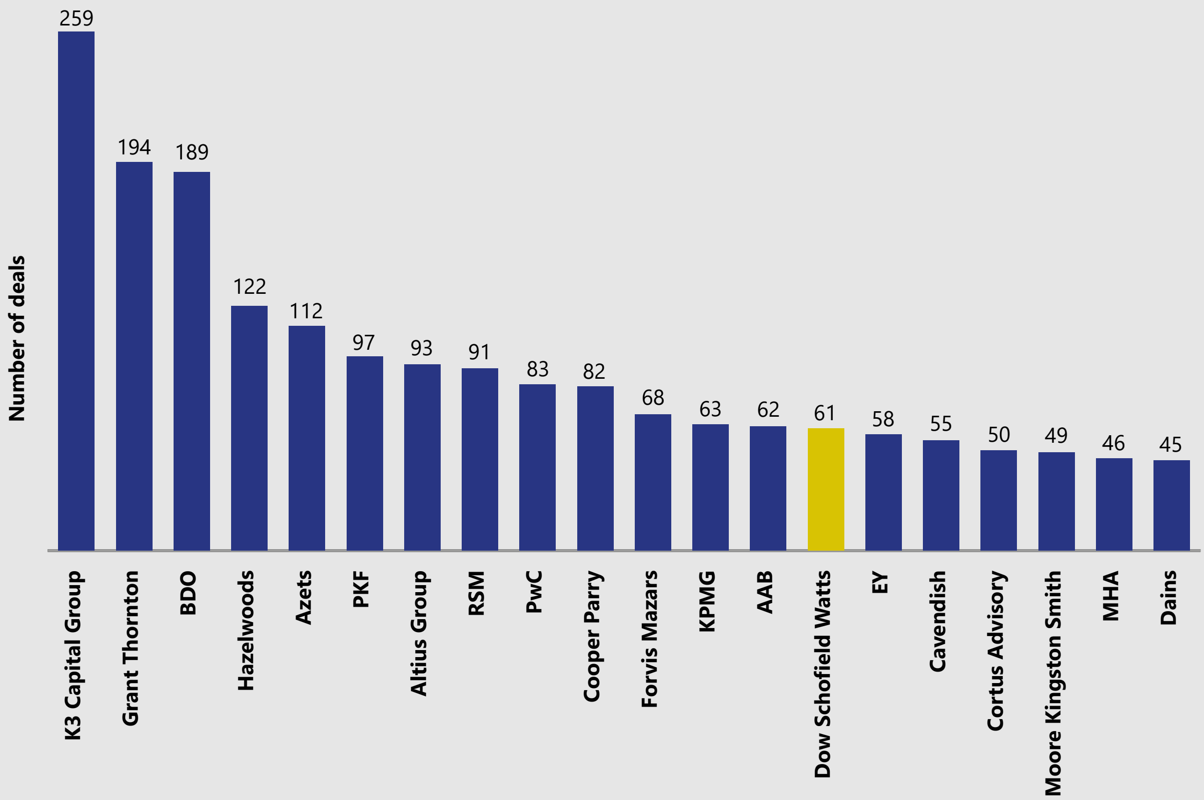
DSW

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 14th most active financial adviser in the UK, reflecting our growing national presence. Regionally, we ranked 9th in the North West and 9th in Yorkshire and Humber[3], 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.

Experian financial adviser ranking in 2025 (UK)



[3] *https://www.experian.co.uk/content/dam/marketing/uki/uk/en/pdf/ED26-430-MA-Full-year-report-2025.pdf*

OUR MARKETS

DR Solicitors

DR Solicitors operates in a niche area of law and considers its competition to be well established, The legal landscape continues to evolve, as highlighted in the CODEX Platform Report 2026[4], with platform-based models increasingly challenging traditional firm structures. These models are attracting legal talent by offering greater autonomy, centralised operational support and a clear focus on specialist expertise. In 2025, four of the ten highest-hiring firms across the entire legal market were platforms.

DR Solicitors distinguishes itself through its sector niche, and the flexibility of delivering high quality work generated by the central sales engine and bringing across work generated by their own relationships and clients. The best of both worlds. DR Solicitors does not require consultants to solely generate their own work. Instead, it provides a consistent pipeline of high-quality legal projects alongside comprehensive business support, enabling lawyers to focus entirely on delivering legal services.

This approach aligns closely with the shifting expectations of both clients and legal professionals. By combining deep sector expertise with a progressive, scalable model, DR Solicitors is well positioned to capitalise on structural changes in the market and continue building a differentiated, high-quality legal offering.

[4] *https://www.codexedge.com/wp-content/uploads/2026/05/Platform-Firms-Report-2026.pdf*

CHAIR'S STATEMENT

On behalf of the Board, I would like to start by thanking all our colleagues across the business for their unwavering commitment and support throughout the year. Below are DSW Capital's results for the year ended 31 March 2026.

Trading was steady in FY26 until the latter part of the period, when deal activity declined due to the Iran war and broader economic uncertainty. This was partly mitigated by strong revenue growth at DR Solicitors, its first full year of trading within the Group, and continued growth in consultants across the DR Solicitors platform, which supported profitability and cash generation.

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 2025*. The DSW Network rose one place to 14th in the rankings (2024: 15th), our highest achievement in recent years.

Central investments in marketing, AI, client onboarding, 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

Our long-term vision remains clear and compelling: to empower ambitious professionals to build and grow successful businesses within an entrepreneurial environment, and to establish DSW as the UK's leading professional services group run by entrepreneurs, for entrepreneurs. This vision underpins every strategic decision we make and continues to differentiate us from traditional professional services firms.

The strength of our model lies in combining entrepreneurial freedom with the benefits of a larger platform. By providing infrastructure, governance, technology, marketing support and access to a broad referral network, we enable talented individuals and teams to focus on what they do best – delivering exceptional outcomes for clients while building valuable businesses of their own.

The acquisition of DR Solicitors represented a transformational milestone in the Group's evolution, providing DSW with a high-quality legal platform and creating significant opportunities to diversify our service offering. The business has traded strongly since acquisition and has validated our belief that the DSW model can be successfully applied across professional services disciplines beyond corporate finance and accountancy.

Building on this success, we launched DSW Legal during the year. DSW Legal broadens our appeal beyond DR Solicitors' established healthcare specialism and provides a platform to attract entrepreneurial lawyers and legal teams operating across a wide range of disciplines, including corporate, commercial, employment, dispute resolution, real estate, private client and other complementary practice areas. Our objective is not simply to build a law firm, but to create a nationwide legal advisory platform that mirrors the entrepreneurial culture and flexibility that has underpinned DSW's success to date.

The strategic rationale is compelling. The Group now supports client relationships across its network, creating significant opportunities for collaboration and cross-referral between legal and financial advisory teams. By bringing together complementary professional services under one platform, we can deepen client relationships, increase service penetration, improve client retention and generate additional revenue opportunities across the Group.

Looking ahead, we see substantial opportunities to attract high-calibre professionals who increasingly seek autonomy, flexibility and a stronger alignment between personal performance and financial reward. The legal sector, in particular, continues to experience structural change, with many experienced practitioners actively seeking alternatives to traditional partnership models. DSW is uniquely positioned to benefit from these trends.

CHAIR'S STATEMENT

With a diversified and increasingly resilient business model, a strong balance sheet and a growing network of ambitious professionals, we believe the Group is well positioned to deliver long-term sustainable growth and create value for shareholders, clients and colleagues alike.

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. Our commitment to inclusion is embedded in DSW's 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. AI has remained a key focus for the platform, with selected trials and implemented solutions beginning to deliver measurable benefits across the Group by improving efficiency, supporting teams and enabling fee earners to focus on high-value client work. We've seen particular success using AI with our document production, research and project management.

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.

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

The Board consists of five directors, two of whom are executive directors and three non-executive directors. Two 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.

During the year we conducted an external Board Effectiveness review which highlighted the boards strong commitment to its purpose and long-term value creation as our key strengths. Some areas to further strengthen the board's effectiveness which we've taken on board and are already beginning to implement in FY27.

I am happy to report that DSW has complied with the updated QCA Corporate Governance Code 2023 throughout FY26, and you can find more information on our governance arrangements, including further details from our Board Effectiveness Review, in the Corporate Governance Statement on pages 37-39 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 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 32-34 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 27-31 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 45-49 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 FY26, the Board is pleased to propose a final ordinary dividend of 2.0 pence per share for the year ended 31 March 2026. This brings the total dividend for the year to 3.2 pence per share.

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

An interim dividend of 1.2 pence per share in respect of the six months to 30 September 2025 was paid on 16 January 2026. If the proposed final dividend is approved by shareholders, it will bring the total cumulative dividends paid to shareholders post-IPO to 16.18 pence per share.

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

Outlook

While we remain mindful of the broader macro-economic 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 FY27 with cautious optimism and remains excited about the long-term prospects for the Group.

H. Lauder

Heather Lauder

Independent Non-Executive Chair

27 July 2026

CHIEF EXECUTIVE OFFICER'S REVIEW

I am pleased to report on the year ended 31 March 2026, which includes a strong first full year contribution from DR Solicitors, acquired in November 2024.

The Group delivered profitability and cash generation, despite ongoing challenges in the M&A market, particularly in the latter part of the year, as geopolitical uncertainty arising from the Iran war and a softer economic backdrop impacted deal flow considerably.

Notwithstanding these conditions, Revenue in DR Solicitors grew by 12%, supported by an increase in consultant numbers at DR Solicitors. We strengthened the firm's market position and continued to attract high-quality consultants, including those capable of originating work for the newly established DSW Legal division.

Our vision to empower entrepreneurs remains highly relevant, and this year's performance reflects the strength of our platform, our people, and our purpose.

Network Revenue was £22.8m (FY25: £25.8m), reflecting the inclusion of a full year of DR Solicitors, which was offset by lower M&A activity in the DSW Network, following an exceptional FY25 driven by "Beat the Budget" transactions. Total Income from Licensees increased to £6.3m (FY25: £5.0m).

The Board's strategic priority remains to grow a resilient and diversified group of licensee businesses. As planned, the acquisition and subsequent growth of DR Solicitors, has materially reduced the Group's reliance on M&A, with M&A contributing 31% of Total Income in FY26, down from 55% in FY25 which is clear evidence of strategy execution.

I am pleased to welcome James Mallender as Managing Director of DR Solicitors and the newly launched DSW Legal. James brings thirty years' experience from across both leading City law firms and high-growth legal businesses. Having qualified as a real estate lawyer with SJ Berwin, he made the move to international firm Womble Bond Dickinson, becoming a partner in 2008.

Realising the partnership model wasn't for him, James left in 2012 to help grow the legal start-up, The Legal Director. As one of the first platform law firms, James built and ran the firm's recruitment function, alongside developing its go-to-market and overall strategy. By the time he left in 2025, the business had established itself as the UK's largest provider of fractional general counsel services to businesses. James will succeed Daphne Robertson and Nils Christiansen, the founders of DR Solicitors, who left the business in July 2026. On behalf of the Board, I would like to thank Daphne and Nils for their dedication and commitment to the successful transition of DR Solicitors into the DSW Group, and for their continued support of the business.

Our focus for FY27 is on attracting additional licensees and consultants, driving further growth at DR Solicitors, and launching DSW Legal. This platform will provide top legal talent with an alternative career path, enabling them to build their own businesses under a recognised brand, supported by central infrastructure, strategic guidance and start-up capital, mirroring the success of the DSW licensee model.

Resilient profitability

Adjusted EBITDA decreased by 7% to £1.67m (FY25: £1.79m), reflective of the impact of reduced deal activity in the last quarter of FY26 and increased investment in DR Solicitors.

Revenue increased by 27% to £6.3m (FY25: £4.9m) and Adjusted Profit before Tax decreased to £1.3m (FY25: £1.6m), with the decline in profitability attributable to the sharp decline in M&A towards the end of FY26 and increased investment in DR Solicitors. FY25 included £3.0m of supernormal Network Revenue, as a high number of business sellers 'beat the budget', delivering an unusually high level of profitability in that year.

Strong Cash generation

The Group continues to generate strong cash flows and maintains a robust balance sheet. At 31 March 2026, cash balances were £2.0m, with net cash of £0.1m, following a £1.0m repayment of the £3.0m OakNorth revolving credit facility and dividend payments of £0.8m during the year.

Operating cash flow remained strong in the year at £1.8m, representing an operating cash conversion of approximately 109%.

CHIEF EXECUTIVE OFFICER'S REVIEW

Strategy and execution

Our vision remains to empower pioneers through the DSW platform, enabling individuals to build and grow their own businesses. The acquisition and subsequent growth of DR Solicitors is a clear demonstration of this strategy in action, enhancing the resilience and diversification of the Group. It has materially reduced the Group's historic reliance on cyclical M&A activity, with M&A representing a lower proportion of Total Income in FY26 compared with prior periods. This diversification helped mitigate the impact of geopolitical uncertainty, including the Iran war, and the associated slowdown in deal activity.

During FY26, we focused investment on scaling DR Solicitors, enhancing marketing capabilities, and developing a new legal proposition. These initiatives are strengthening the platform and supporting future growth. DR Solicitors delivered 12% annualised revenue growth in FY26 and, whilst also increasing headcount and opportunity generation.

We invested in a Corporate Healthcare team, strengthening our expertise in this lucrative and more resilient sector and contributing to both direct growth and cross-referral opportunities across the Group.

In addition, we expanded the legal platform to include "Originating Consultants", professionals who bring their own work and client relationships. This provides a scalable route to growth, increasing fee earner headcount and enhancing cross-selling potential across the Group.

Professional headcount

Our growth strategy remains centred on recruiting Partners, teams, and fee earners to expand the existing licensee businesses.

At the year end, total fee earner headcount, including Partners, remained broadly stable at 135 (FY25: 136), with attrition from two non-core licensee businesses being broadly offset by growth across DSW and DR Solicitors.

Since March 2013, fee earner numbers have increased from 30 to 135, representing a compound annual growth rate of over 12%. Since AIM admission in December 2021, the Group has added 53 fee earners.

Our recruitment focus during the year was to expand the DR Solicitors Fee Earners. We delivered annual consultant growth of 48%. In October 2025, we also onboarded a specialist Corporate Legal team, focused on dental and pharmacy law, further strengthening our healthcare offering.

Partner and consultant recruitment remains a core driver of long-term shareholder value. Since the year end, we have made a key strategic appointment on the South Coast and contributed funding for the acquisition of Integer Advisory Limited in June 2026, by an existing licensee, bringing three new Partners to the Network.

Empowering entrepreneurs

DSW has been empowering entrepreneurs since 2002, building a platform model that challenges traditional advisory and legal structures and enables individuals to operate with autonomy and entrepreneurial freedom.

The structural change across both sectors, driven by consolidation and private equity investment, continues to reshape these markets. Against this backdrop, our model offers a compelling alternative for senior professionals seeking independence, flexibility, and a clear path to value creation.

Our Partners are empowered to run their own businesses, with the freedom to determine how, where, and with whom they work. On behalf of the Board, I would like to thank all our Partners and their teams for their continued commitment and contribution.

Strength in our brand

Maintaining a strong and differentiated brand proposition remains critical, particularly within the UK mid-market. Our focus is on attracting high-quality professionals across both accountancy and legal sectors.

As at 31 March 2026, 44% of DSW Partners and employees had previously worked in Big Four firms, while 20% of DR Solicitors professionals had backgrounds in Magic or Silver Circle firms.

Our corporate finance and due diligence capabilities continue to drive national recognition. In 2025, Experian ranked DSW as the 14th most active M&A adviser in the UK by number of deals (2024: 15th; 2023: 19th).

DR Solicitors was also recognised as the 6th top hiring firm among platforms with fewer than 30 consultants in the 2025 CODEX report, reflecting the strength of our model in attracting high-quality legal talent.

Optimising our platform

During FY26, we continued to focus on operational excellence, investing in central support functions across IT, operations, finance, client onboarding and paralegal services. These investments are critical to delivering a best-in-class platform, enabling fee earners to focus on client service and value creation, while benefiting from high-quality infrastructure and support.

Technology and AI remains a key area of focus. We have progressed the evaluation and deployment of

CHIEF EXECUTIVE OFFICER'S REVIEW

AI-enabled solutions to enhance both client delivery and internal efficiency, supporting fee earners in prioritising higher-value activities.

The central operations team has played a pivotal role in these developments, and I would like to thank them for their continued commitment and contribution.

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 41 member firms, with 400 dealmaking professionals in 68 offices across 36 countries, is one of the top five largest international M&A advisor networks.

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 227 deals in 2025, some of which were engaged across Pandea teams, demonstrating the referral opportunities it provides.

Looking ahead

Over the past three years, the Group has demonstrated resilience and adaptability, evolving into a broader and more integrated professional services platform. The acquisition of DR Solicitors has strengthened our offering and reduced reliance on M&A income, positioning the Group to capture a greater share of the mid-market. The launch of DSW Legal provides an even greater opportunity to mirror the success of the wider DSW Group, and we are excited by the opportunities this new platform presents.

Our strategic priorities remain focused on:

- Growing the number of high-quality professionals operating across the Group;
- Expanding DSW Legal into a significant national legal platform;
- Increasing collaboration and cross-referral opportunities across the Network;
- Investing in technology and AI-enabled solutions to improve efficiency and scalability;
- Strengthening the DSW brand and market presence;
- Pursuing selective acquisitions, team hires and strategic opportunities that enhance shareholder value.

Trading in the early part of the new financial year has been encouraging, despite continued geopolitical and macroeconomic uncertainty. While mindful of these uncertainties and the upcoming Budget, the Group remains financially strong, with robust cash generation, a scalable model, and a low fixed cost base. We are building a strong and resilient business, capable of delivering sustainable growth and long-term shareholder value. The prospects and opportunity for the Group remains strong and we face the future with confidence.

Shrutisha Morris

Chief Executive Officer

27 July 2026

CHIEF FINANCE & OPERATING OFFICER'S REVIEW

"FY26 demonstrates the resilience of our platform model, delivering strong cash generation and profitability despite a more challenging M&A environment. The continued growth of DR Solicitors and our broader diversification strategy have enhanced both the quality and sustainability of our earnings. We are pleased that the Group has continued to deliver strong financial outcomes while advancing our strategic priorities."

FY26 includes the first full year contribution from our acquisition, DR Solicitors, and was a year of continued strategic progress, set against a more challenging macroeconomic backdrop.

From a financial perspective, FY26 reflects both the benefits of strategic diversification and the normalisation of market conditions, compared to the exceptional prior year. While FY25 benefited from unusually strong M&A activity, including a significant level of "supernormal" transactions ahead of anticipated tax changes, FY26 saw more typical levels of activity through much of the year. However, deal flow slowed towards the end of the period, particularly from February 2026, as geopolitical uncertainty arising from the Iran conflict impacted market sentiment. This contributed to increased uncertainty around inflation and the timing of interest rate cuts, resulting in a short-term deferral of transactions as clients adopted a more cautious approach.

Notwithstanding these conditions, the Group delivered resilient profitability and strong cash generation, demonstrating the resilience, scalability and cash-generative nature of our platform model.

Key Performance Indicators

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

	2026	*2025*	*2024*
Revenue (£'000)	6,172	4,855	2,311
Total income (£'000)[5]	6,266	4,965	2,431
Adjusted EBITDA (£'000)	1,667	1,787	626
Adjusted PBT (£'000)	1,307	1,572	507
PBT (£'000)	798	1,301	207
Adjusted PBT margin (%)	21.2	32.4	21.9
PBT margin (%)	12.9	26.8	9.0
Net Assets (£'000)	9,954	10,015	7,588
Cash generated by operations	1,821	2,031	85

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

	2026	*2025*	*2024*
Total revenue of all Network licensees (£'000)	22,776	25,844	15,975
Revenue per Fee Earner (£'000)	163	214	153
Revenue per Partner (£'000)	445	507	320
Fee Earners (Closing Number)	135	136	107
Fee Earners (Average Number)	140	121	104

Revenue and Network Performance

Network Revenue for the year was £22.8m (FY25: £25.8m), reflecting lower M&A activity compared to the exceptionally strong prior year, which benefited from a significant level of 'supernormal' transactions.

Total income increased to £6.3m (FY25: £5.0m), supported by a full year contribution from DR Solicitors and growth in non-M&A income streams.

Statutory revenue increased by 27% to £6.2m (FY25: £4.9m), reflecting the continued scaling of DR Solicitors and the broader platform.

The Group continues to make progress in reducing reliance on M&A, with a more diversified revenue base supporting increased resilience across market cycles.

[5] Total income represents statutory revenue from DSW licensees and DR Solicitors plus share of results of associates.

Fee Earner Performance

Fee earner headcount remained stable at 135 (FY25: 136), with attrition from two non-core businesses offset by growth across both the DSW Network and DR Solicitors.

Revenue per fee earner reduced to £163k (FY25: £214k), reflecting lower levels of M&A activity compared to the prior year, which benefited from a significant volume of "supernormal" transactions.

Notwithstanding this, the Group continues to demonstrate strong underlying productivity and remains well positioned to benefit from a recovery in transactional activity, supported by a stable and high-quality fee earner base.

Profitability and Alternative Performance Measures

Statutory profit before tax was £0.8m (FY25: £1.3m), reflecting higher amortisation of acquired intangible assets of £0.3m (FY25: £0.1m), increased finance costs of £0.3m (FY25: £0.2m) associated with the Group's revolving credit facility, together with a full year contribution from DR Solicitors' cost base and continued investment in the platform.

The Group uses Alternative Performance Measures ("APMs") to provide additional insight into the underlying performance of the business. These measures are not defined under IFRS and may not be directly comparable with similarly described measures used by other companies.

The key APMs used by the Group are:

- **Adjusted EBITDA**, defined as adjusted profit before tax amended to add back net finance costs, depreciation, amortisation, impairment of loans due from associated undertakings, and deduct finance income; and
- **Adjusted profit before tax**, defined as profit before tax adjusted for items not considered part of underlying trading, which in the current and prior year primarily comprise share-based payments, amortisation of intangible assets arising on acquisition, and acquisition-related costs.

The Directors believe these measures provide a clearer view of the underlying trading performance and cash-generative nature of the business by removing items that are non-cash or not reflective of ongoing operations.

Adjusted PBT and Adjusted EBITDA are calculated as follows:

	2026 (£000's)	2025 (£000's)
Profit before tax	798	1,301
Share based payments	168	104
Acquisition costs	-	25
Amortisation of intangible assets recognised on acquisition accounting	341	142
Adjusted PBT	**1,307**	**1,572**
Impairment of loans due from associated undertakings	80	62
Finance costs	294	173
Depreciation	172	169
Amortisation	43	43
Finance Income	(230)	(232)
Adjusted EBITDA	**1,667**	**1,787**

Adjusted EBITDA decreased to £1.67m (FY25: £1.79m), reflecting lower deal activity in the final quarter with a large proportion being due to timing of deal completions.

Adjusted profit before tax remained strong at £1.3m (FY25: £1.6m), with an adjusted margin of 21.2% (FY25: 32.4%), reflecting the normalisation of M&A activity compared to the prior year.

The share-based payment charge in the year was £0.2m, increasing from £0.1m in the prior year. The increase is due to the cumulative impact of share options being awarded to the executive management team in line with the Performance Share plan rules. Further details can be found in note 24.

Central Costs and Investment

The Group remains focused on maintaining a lean central cost base, whilst continuing to invest selectively in areas that support scalable growth and enhance the platform.

Administrative expenses increased to £4.0m (FY25: £3.2m), primarily driven by:

- the inclusion of a full year of DR Solicitors;
- investment in marketing and brand development;
- continued enhancement of technology and operational infrastructure; and
- expansion of central support functions.

CHIEF FINANCE & OPERATING OFFICER'S REVIEW

These investments are aligned with the Group's strategy to build a best-in-class platform, supporting both licensees and legal consultants and enabling long-term value creation.

Earnings Per Share

Earnings per share decreased year on year, reflecting lower statutory profitability driven by reduced M&A activity, together with higher amortisation of acquired intangible assets and increased finance costs following the DR Solicitors acquisition.

Adjusted basic earnings per share for the year is 4.0p (FY25: 5.0p). Adjusted EPS removes the impact of share-based payment charges, amortisation of acquired intangibles and acquisition-related costs, providing a more consistent measure of underlying performance.

Cash Flow and Liquidity

The Group continues to generate strong cash flows, reflecting the structural advantages of our platform model, which benefits from low working capital requirements and a flexible cost base.

Cash generated from operations was £1.8m (FY25: £2.0m), representing operating cash conversion of approximately 109%. This level of cash conversion reflects the structural efficiency of the Group's platform model and remains a key differentiator compared to traditional professional services firms.

Net cash inflow from operating activities was £1.4m (FY25: £1.4m), after corporation tax payments of £0.5m.

During the year, the Group:

- repaid £1.0m of our revolving credit facility;
- paid dividends of £0.8m; and
- continued to invest in the platform.

As a result, cash balances at 31 March 2026 were £2.0m (FY25: £2.7m), with net cash of £0.1m following partial repayment of the Group's borrowings.

The Group retains a strong liquidity position and remains well positioned to fund future growth.

Balance Sheet and Capital Structure

The Group maintains a strong balance sheet, with net assets of £10.0m (FY25: £10.0m).

Intangible assets of £6.6m primarily relate to goodwill and customer relationships arising from the acquisition of DR Solicitors. These assets are amortised over their useful lives and are subject to ongoing impairment review.

Net debt at the year-end was modest, reflecting the Group's strong cash generation and disciplined capital management. The Group remains comfortably within its banking covenants and has significant headroom within our revolving credit facility.

Dividend

The Board is committed to a progressive dividend policy, reflecting the Group's strong cash generation and its confidence in the long-term prospects for the business.

Dividends of £0.8m were paid during the year (FY25: £0.4m), and the Board has proposed a final dividend of 2.0 pence per share, subject to shareholder approval.

Outlook

The Group enters FY27 with a strong balance sheet, robust cash generation, and an increasingly diversified revenue base.

While macroeconomic uncertainty may continue to impact M&A activity in the near term, the Group's strategic expansion into legal services and the continued growth of DR Solicitors provide resilience and additional growth opportunities.

The Board remains focused on:

- scaling DR Solicitors and the DSW Legal platform;
- attracting high-quality Partners, teams and consultants;
- maintaining disciplined cost control; and
- delivering strong cash generation and returns to shareholders.

The Group is well positioned to deliver sustainable growth and long-term shareholder value.

Pete Fendall
Chief Finance & Operating Officer
27 July 2026

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 the matters set out in Section 172(1)(a) to (f) This statement explains how those duties have been considered in Board decision-making during the year.

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

The Board considers both short- and long-term implications when making strategic decisions, with a focus on delivering sustainable growth and diversification.

During the year, the Board prioritised the acceleration of the Group's legal platform. This included scaling DR Solicitors through targeted recruitment of consultant lawyers and formally launching the DSW Legal platform to replicate the Group's licensing model within the legal sector. These decisions were taken to broaden the Group's service offering, reduce reliance on M&A-related activity and support long-term value creation.

The Board also supported continued investment in platform optimisation, including technology and AI initiatives, through the launch of an AI Steering Committee and pilot adoption of a specialist AI platform. These initiatives are intended to enhance efficiency, support service delivery and maintain the Group's competitive position over the long term.

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

The Board recognises that the Group's people—employees, partners and consultants—are fundamental to its success.

During the year, the Board supported a range of initiatives to develop and engage its people, including a Group-wide conference held at the People's History Museum in Manchester. While the Future Leaders Programme was paused, this was replaced with more targeted investment in training, including cybersecurity training, technical M&A training and a bespoke sales training programme.

Despite a slight reduction in overall headcount, the Board continued to focus on supporting high-quality teams, with growth in the legal division offsetting reductions elsewhere.

Investment was also made in tools, technology and training to support the development and performance of licensees and consultants across the Group.

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

The Board recognises the importance of strong relationships with clients, licensees, consultants, regulators, suppliers and investors.

During the year, the Board approved increased investment in marketing and brand development, including the engagement of a fractional Chief Marketing Officer and enhanced marketing tools and resources. This is intended to strengthen the Group's market presence, support recruitment and improve business development capability across the Network.

The Board also maintained active engagement with investors through interim and final results presentations and one-to-one meetings. Discussions focused on strategy, including progress following the DR Solicitors acquisition and the development of the DSW Legal platform.

The Group continued to engage proactively with regulators, including the Solicitors Regulation Authority (SRA), with a successful audit completed during the year with no findings. The Board also supported further investment in compliance infrastructure to ensure the Group remains well positioned as it expands its legal offering.

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

The Board remains committed to responsible business practices and recognises the importance of its impact on the community and environment.

While there were no significant changes in approach during the year, the Group continues to operate within its established ESG framework. Further details are set out in the ESG Report and SECR disclosures.

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

Maintaining a reputation for high standards of business conduct is central to the Group's long-term success.

The Board promotes a culture of integrity through the Group's Code of Conduct, compliance framework and ongoing oversight via Board and Audit & Risk Committee reporting.

SECTION 172 COMPANIES ACT STATEMENT

During the year, particular focus was given to strengthening governance and compliance within the legal division, including continued investment in specialist compliance support and preparation for the scaling of the DSW Legal platform. The Board has also considered the findings of the external Board effectiveness review, with enhancements to governance structures implemented as set out in the Corporate Governance Statement.

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

The Board recognises the need to act fairly between shareholders and to maintain transparent and consistent communication.

Engagement during the year included investor presentations and direct dialogue, with a focus on strategy, growth and platform development. Board decisions, including investment in legal services, marketing and technology, were taken with a view to delivering long-term shareholder value while balancing the interests of wider stakeholders.

Key Decision Making

The key decisions taken during the year included;

- **Scaling the legal platform** – accelerating growth in DR Solicitors and launching DSW Legal to support diversification and long-term growth;
- **Investing in leadership and infrastructure** – strengthening the legal division through senior hires and platform investment;
- **Strengthening brand and marketing** – enhancing market visibility through additional investment in marketing capability

Investing in technology and training – supporting consultants and employees through AI initiatives, cybersecurity training and targeted development programmes.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) STATEMENT

"As Chair of the ESG Committee, I am pleased to report on another year of progress across our environmental, social and governance priorities. ESG remains central to how we operate — not as a standalone initiative, but as a key enabler of our strategy, supporting the continued growth of our platform, the attraction of high-quality talent and the delivery of long-term value for our stakeholders."

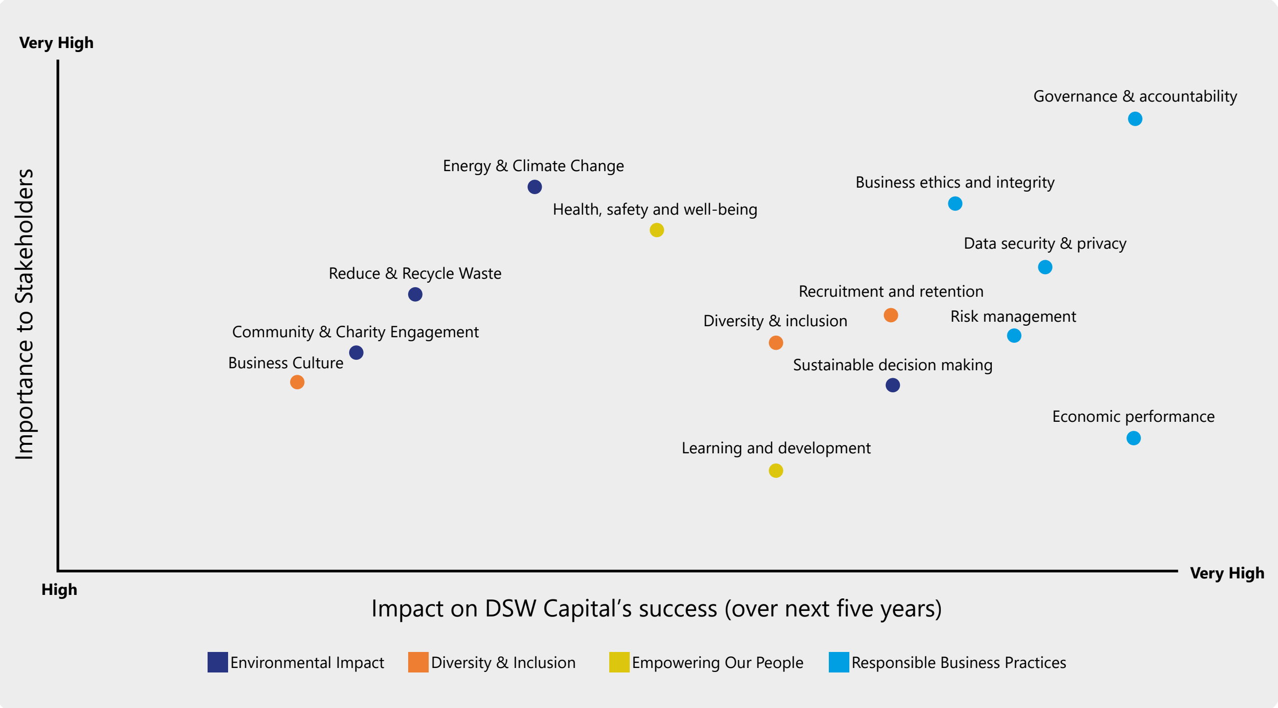
During the year, we have continued to evolve our approach, reflecting the scale and complexity of the business following the acquisition of DR Solicitors and the development of our broader legal platform. Our focus remains on embedding ESG considerations into our day-to-day decision making, ensuring that we operate responsibly while supporting entrepreneurial professionals to build and grow their businesses.

We have made good progress across our social and governance priorities, particularly in strengthening our people initiatives, enhancing our compliance frameworks and increasing investment in technology and cyber security. While our environmental journey remains at an earlier stage, we are increasingly focused on developing a more structured approach as the business continues to scale.

FY26 Highlights

- Over 90 partners and employees attended our annual Group Conference held at the People's History Museum in Manchester, celebrating the theme of "empowering pioneers", with an inspirational keynote from Jo Salter, the UK's first female fast jet pilot
- Introduction of a matched funding scheme to support employee-led charitable fundraising
- Continued investment in training across the Group, including technical M&A training with Financa, sales training with Positive Momentum and cyber training with Mitigo Group
- Strengthened onboarding and integration processes with the appointment of a Head of Operations
- Appointment of external cyber security specialists to assess and identify enhancements for our Group IT systems and controls
- Establishment of an AI Steering Committee and implementation of a refreshed AI policy
- Continued growth of the DR Solicitors platform, with increased diversity across the legal business

Identifying our key ESG priorities



Our ESG priorities continue to be informed by our materiality assessment, which identifies the ESG topics most relevant to our stakeholders and the DSW Network.

The assessment was last formally reviewed in 2023 and validated through engagement with Network members. As the business continues to evolve, particularly with the launch of DSW Legal, we plan to update our materiality assessment during FY27 to ensure alignment with our broader strategic ambitions and to support the development of our longer-term ESG roadmap and 2030 vision.

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 an important part of our culture. During the year, we continued to encourage our people to support causes that matter to them, supported by the introduction of a matched funding scheme to enhance employee-led fundraising initiatives.

Across the Group, our teams have contributed through a range of charitable activities, including fundraising initiatives and local community engagement.

From an environmental perspective, our direct impact remains relatively limited given the nature of our capital-light, office-based model. However, as the Group has scaled, our footprint has increased, with Scope 2 emissions rising in FY26 due to a full year contribution from DR Solicitors.

We continue to explore opportunities to reduce our impact, particularly in relation to business travel. The majority of travel across the Group is UK-based and relies predominantly on rail infrastructure, with limited international travel required. As part of our ongoing ESG development, we will look to introduce initiatives to better understand and manage Scope 3 emissions, including travel-related impacts, in future periods.

The Group continues to operate a flexible hybrid working model, which supports reduced commuting and office energy usage. During the year, we also evaluated our office footprint, particularly in Guildford, to ensure that future locations are aligned with our growth ambitions and our commitment to operating in a more sustainable manner.

We also remain mindful of the environmental implications of emerging technologies, including artificial intelligence. As part of our broader technology strategy, environmental considerations are increasingly factored into the selection and deployment of systems and platforms across the Group.

Diversity & Inclusion

Cornerstone Leads


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 remains a key strength of the Group's platform model. Our flexible structure enables professionals to operate with autonomy, creating an environment that supports individuals from a wide range of backgrounds.

We are proud that approximately 20% of Partners and 60% of the Board are female, and we are increasingly seeing strong levels of diversity within our legal platform, where approximately 46% of fee earners are female.

During the year, we continued to promote diversity and inclusion through internal communications and events, including initiatives aligned with key awareness campaigns. We remain committed to broadening representation across the business and ensuring that our platform continues to be accessible to a diverse pool of talent.

As we continue to scale, particularly within legal services, we believe our model provides a compelling alternative to traditional structures, supporting greater diversity across the professions in which we operate.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) STATEMENT

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

Investing in our people remains central to our success. During the year, we focused on strengthening collaboration, capability and engagement across the Network.

Our Group Conference brought together over 90 partners and employees and provided an opportunity to reinforce our culture and shared purpose, centred around empowering pioneers.

We have also expanded our training offering, working with external specialists to deliver:

- technical M&A training through Financa;
- sales training through Positive Momentum; and
- cyber security awareness training through Mitigo Group.

In addition, internal teams delivered sessions focused on financial modelling and Excel best practice, supporting continuous professional development across the Group.

Our mentoring programme continues to support collaboration across the Network, with c.45 % of participants engaged as either mentors or mentees during the year.

We also enhanced our onboarding processes through the appointment of a Head of Operations, ensuring that new joiners and consultants are supported effectively as they integrate into the platform.

From a wellbeing perspective, we continued to support our people through targeted initiatives, including expert-led sessions exploring the relationship between diet and wellbeing.

Responsible business practices

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

Strong governance underpins our ability to deliver sustainable growth. We continue to apply the QCA Corporate Governance Code and maintain clear accountability across the Board and its committees.

During the year, the ESG Committee met regularly on an informal basis, with ESG matters reported to the Board through the ESG Chair. As the Group continues to scale, we recognise the importance of formalising aspects of our ESG governance and reporting structures.

With the expansion of our legal platform, we have made investment in strengthening our compliance framework, particularly in relation to SRA requirements. External specialists have been engaged to support the development of robust systems and controls, ensuring that we are well positioned as we continue to grow.

We have also made further investment in cyber security, appointing external advisors to review our systems and identify areas for improvement. This has been supported by additional investment in security software and training to ensure our people and clients remain protected.

Artificial intelligence continues to be an area of focus. During the year, we established an AI Steering Committee and implemented a refreshed AI policy to ensure that the adoption of AI across the Group is managed responsibly, balancing the opportunities for increased efficiency with appropriate risk management and oversight.

Looking ahead

We will continue to evolve our ESG strategy as the business grows, ensuring that our priorities remain aligned with both stakeholder expectations and our long-term strategic ambitions.

In FY27, we will focus on:

- updating our materiality assessment and ESG strategy in line with our 2030 vision;
- developing a more structured approach to environmental measurement, including Scope 3 emissions;
- further embedding ESG into our growth strategy, particularly in relation to talent attraction and platform development; and
- strengthening governance and reporting frameworks as the business continues to scale.

We remain committed to operating responsibly and delivering long-term value for our stakeholders, while continuing to empower entrepreneurs across our platform.

PJFendall

Pete Fendall
ESG Chair
27 July 2026

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 or originating 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 candidates, to existing businesses and to establish new businesses with the DSW platform. The Group offers an excellent incentive scheme for existing fee earners to identify and introduce new members through recruitment commissions. The Group has an extensive and cohesive marketing and social media strategy to promote our brands and to attract the right candidates. Comprehensive due diligence checks and evaluations are carried out on all candidates including a partner assessment. Ongoing performance is also closely monitored and is a core area of focus for management and the Board. The Board encourages regular dialogue with and between network members 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. We continue to engage with our network members and invest in tools and resources which will enable them to maintain a competitive edge over their peers. We are able to do this through our increased economies of scale bringing significant value to our network members. We regularly bring our network members and staff together to build relationships, collaborate and share best practices. This is further enhanced by our regular cycle of feedback sessions with licensee businesses and consultants to monitor and improve service levels. Our network members receive ongoing support, operational infrastructure and benefit from both the strength of the 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	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. • 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. • Ongoing compliance support with tailored risk management workshops and regular training available. 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.

Risk	Mitigation
Key person dependency on executive team for DR and DSW The Group’s continued growth and performance is dependent on the capacity and experience of the Executive team, particularly in relation to the integration and development of DR Solicitors. There is a risk that limited bandwidth and key person reliance, may impact the Group’s ability to effectively manage operations, deliver strategic priorities and maintain the performance of the DR client base. This includes risks associated with succession planning, the development of the DR sales function, and the regulatory responsibilities within the legal business, including the role of Compliance Officer for Legal Practice (COLP). A failure in these areas could result in operational inefficiencies, reduced revenue generation, regulatory issues or a decline in value.	The Group has taken steps to strengthen leadership capacity and operational capability across both DSW and DR Solicitors. This includes the expansion of the senior management team, with investment in operational and IT leadership roles, and the appointment of a new Managing Director in DR Solicitors to provide additional experience and support. Clearly defined roles and responsibilities have been implemented across the platform, supported by regular communication and alignment within the DSW Capital leadership team. Further actions have been taken to support growth and regulatory robustness within the legal business, including the development of a dedicated sales function, targeted recruitment of specialist expertise, and investment in the Group’s sales capability. The Group continues to assess options to enhance compliance support, including outsourcing elements of the legal compliance function where appropriate, alongside an ongoing focus on succession planning and leadership development to mitigate key person risk.

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:

Shrutisha Morris
Chief Executive Officer
27 July 2026

BOARD OF DIRECTORS

Board Composition

Key to committee membership

A Audit & Risk Committee

R Remuneration & Nominations Committee

Committee Chair

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
- Non-Executive Director and Chair of Remuneration & Nominations Committee for Skipton International Limited

Committee memberships

- Remuneration and Nominations Committee (Chair)
- Audit and Risk Committee

R A

Shrutisha Morris

Chief Executive Officer

Date of appointment

April 2025

Experience

Shrutisha is a qualified accountant, having spent eight years at 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, Shrutisha 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, Shrutisha's role is to lead in the growth, leadership and future development of the Group.

External appointments

- None

BOARD OF DIRECTORS

Pete Fendall

Chief Finance & Operating Officer

Date of appointment

November 2024

Experience

Pete is a Chartered Accountant who previously spent 8 years with Deloitte in the North West. He was responsible for leading the audits of some of the region's largest and most complex international businesses, whilst also delivering projects for clients and providing transaction support. 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. In his new role as CFOO, he oversees day-to-day operations, financial reporting and leads our partner recruitment campaign. He also oversees the integration of new licensees as well as relationship management of the existing portfolio. Pete also developed our ESG Strategy, and now chairs our ESG committee.

External appointments

- Non-Executive Director of the Liverpool Institute of Performing Arts
- ICAEW Network Board Member for Manchester

James Dow

Founder, Non- 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

Committee Membership

- Audit and Risk Committee
- Remuneration and Nominations Committee

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 and Audit & Risk Committee member for Bettys and Taylors Group Limited
- 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

- Audit and Risk Committee (Chair)
- Remuneration and Nominations Committee

A R

CORPORATE GOVERNANCE STATEMENT

Introduction

The Directors recognise the importance of maintaining high standards of corporate governance. The Board has chosen to apply the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), which adopts a proportionate, principles-based approach appropriate for AIM-listed companies.

The Directors confirm that the Group has applied the 2023 QCA Code throughout the year ended 31 March 2026. The Board believes that its governance framework remains appropriate for the size, structure and stage of development of the Group whilst supporting our purpose of empowering pioneers. The governance framework is reviewed periodically to ensure it remains appropriate for the size, complexity and strategic development of the Group, enabling the Board and its Committees to provide effective oversight and long-term stewardship on behalf of shareholders.

This report sets out how the Group complies with the ten principles of 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 its people to reach their potential and develop sustainable businesses which best serve the needs of their clients and local communities.

The Group operates a capital-light, scalable platform model delivering professional advisory and legal services. This model generates recurring revenues and strong cash conversion, supporting long-term value creation.

The DSW Network continues to attract entrepreneurial professionals seeking flexibility, autonomy and an alternative to traditional professional services structures.

During the year, the Group made continued progress against its strategic priorities, including:

- Expansion of the DR Solicitors platform through the recruitment of consultant lawyers and a Corporate Dental team, driving growth in DR revenue;
- Investment in the central platform including a new Head of Operations for DSW Capital and a Managing Director to support scaling of the legal offering in DR Solicitors and launch of the DSW Legal platform; and
- Continued investment in technology and AI to drive operational efficiency and enable fee earners to focus on high-value advisory work.

The Board remains focused on scaling the platform through organic growth, strategic hires and targeted investment in complementary service lines.

Further details on the Group's strategy and business model are provided on pages 1-15.

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

The Board recognises that a strong and consistent culture is fundamental to long-term success. The Group promotes a culture based on integrity, trust, collaboration and entrepreneurialism.

This is supported through:

- the Group's Code of Conduct;
- whistleblowing and anti-bribery policies; and
- regular compliance and ethics training.

A confidential whistleblowing mechanism remains in place.

The Board takes responsibility for defining and embedding the Group's culture and monitors its effectiveness through regular reporting and engagement across the Network. 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

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.

Other key engagement mechanisms include:

- Annual and Interim Reports;
- RNS announcements;
- Investor presentations aligned to reporting periods; and
- The Annual General Meeting.

The Board encourages shareholder participation at the AGM and facilitates ongoing engagement throughout the year.

No significant themes of shareholder concern were identified during the year.

Further ESG-related disclosure is provided on pages 27-31.

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

The Board recognises the importance of maintaining strong relationships with a broad range of stakeholders, including employees, partners, consultants, clients and regulators.

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

CORPORATE GOVERNANCE STATEMENT

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.

The Board considers its duties under section 172 of the Companies Act 2006 when making decisions and ensures that stakeholder interests are taken into account.

Further details on stakeholder engagement and ESG matters are set out on pages 27-31.

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

The Group operates a **moderate risk appetite** in pursuit of its strategic objectives. The Board is prepared to accept measured levels of commercial and strategic risk where opportunities support long-term growth, including expansion into new service lines, recruitment of new teams, acquisitions and investment in technology. However, the Board maintains a low risk appetite in relation to matters that could adversely impact client service, regulatory compliance, financial reporting integrity, information security, professional standards or the Group's reputation.

The Board is responsible for maintaining a robust system of risk management and internal controls.

This includes:

- A comprehensive Group risk register reviewed regularly by management and the Audit & Risk Committee;
- Periodic risk meetings to identify emerging risks; and
- An assurance framework to monitor policy compliance.

No material control issues or assurance findings were identified during the year.

The Audit & Risk Committee oversees the external audit process and auditor independence. During the year, the audit was put out to tender to five firms. Following a competitive process, the Committee recommended the reappointment of BDO as Group auditor, reflecting its experience, audit quality and understanding of the business.

The Audit & Risk Committee were satisfied with BDO's representations that they are independent and this is further supported by the fact that we do not engage our auditors to provide non-audit services and we are satisfied that the partner rotation rules have been adhered to.

The Board considers that a separate internal audit function is not currently required given the size and structure of the Group but continues to keep this under review.

The Board recognises that climate-related risks and opportunities form part of the Group's broader ESG agenda and risk management framework. Climate-related considerations are identified, assessed and monitored through the Group's established risk management processes as noted above. The Board considers the potential impact of climate-related matters on the Group's strategy, operations and stakeholders and is satisfied that these considerations are appropriately integrated into its wider approach to risk management and governance.

Further details of the Group's climate-related priorities, environmental performance and ESG initiatives are set out in the ESG Report on pages 27-31.

Further details on principal risks and mitigation strategies are provided on pages 32-34.

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

The Board regularly assesses its composition against the evolving needs of the Group's strategy and is committed to maintaining an appropriate mix of experience, skills, capabilities and diversity characteristics. Further details of the boards experience can be found on pages 35-36.

The Board includes two independent Non-Executive Directors: Heather Lauder and Jill Jones.

While the number of independent Non-Executive Directors does not represent at least half of the Board, as required by the QCA code, the Board considers that it benefits from strong independent oversight and challenge.

The Board is supported by:

- The Audit & Risk Committee; and
- The Remuneration & Nominations Committee.

During the year:

- The Audit & Risk Committee met three times and all members were in attendance; and
- The Remuneration & Nominations Committee met three times and all members were in attendance.

All Directors are subject to annual re-election at the AGM.

Following the appointment of Shrutisha Morris as Chief Executive Officer on 01 April 2025, James Dow, her predecessor and one of the founders of Dow Schofield Watts remained on the board as Executive Director to continue to provide support and guidance to the executive team.

During the year, James Dow then transitioned from Executive Director to Non-Executive Director (effective 1 October 2025), further strengthening Board governance and oversight whilst retaining extensive knowledge of the business within the board.

There are currently no restrictions on Executive or Non-Executive Directors accepting external appointments; however, all proposed appointments are reviewed on a case-by-case basis and reported to the Board to ensure that no actual or perceived conflicts of interest arise and that Directors can continue to devote sufficient time and commitment to their responsibilities to the Company.

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 Chair is responsible for Board leadership and governance effectiveness.

The Board retains responsibility for strategy and oversight, whilst Executive Directors manage day-to-day operations.

Non-Executive Directors provide independent challenge and support.

The Board operates with:

- Clearly defined matters reserved for decision;
- Formal committee structures; and
- Access to external advisers.

Directors receive ongoing training and briefing to ensure their skills and knowledge remain up to date. In the year ended 31 March 2026, the board appointed a third-party to provide a Cyber Security training to the board to ensure that the board members remain up to date on the latest developments and aware of their responsibilities as board members.

Furthermore, the Board appointed an external cyber security specialist to conduct an independent review of the Group's IT security environment to identify opportunities to further strengthen controls, systems and processes and enhance the protection of the Group's information assets, client data, business operations and overall cyber resilience.

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

The Board regularly evaluates its effectiveness, as well as that of its committees and individual Directors.

During the year:

- The Board conducted an internal evaluation; and
- An external Board effectiveness review was undertaken by Barnett Waddingham.

The external review involved observing our board and committee meetings, and interviewing all board members individually to gather their reflections on the Board's Effectiveness. The review concluded that the Board demonstrates a strong commitment to its purpose and long-term value creation, with active strategic oversight.

The review also identified areas for enhancement, including:

- Refining the structure, format and frequency of Board meetings;
- Enhancing alignment between Board activity and the Group's strategic priorities; and
- Reassessing the terms of reference of the Board and its committees.

Actions arising from the review have been implemented during the year to strengthen governance and support future growth. Our policy is to conduct an external review of the board's effectiveness every three years and therefore our next review will be completed in 2028.

The Remuneration & Nominations Committee continues to oversee succession planning. It should be noted that due to the relative size and complexity of the business, we do not currently have a formal board rotation policy in place.

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 determines remuneration policy and reviews the performance of Executive Directors.

The remuneration framework is designed to:

- align management with shareholder interests;
- support long-term value creation; and
- attract and retain high-calibre individuals.

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.

Further details are set out on pages 42-44.

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 42-44 of this report, and the report of the Audit and Risk Committee is set out at pages 40-41.

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.

AUDIT AND 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 the effectiveness and independence of the external auditor;
- compliance with laws, regulations and ethical standards;
- the impact of any new regulatory developments, particularly in relation to the Group's legal operations;
- the Group's risk appetite and its future risk strategy; and
- the adequacy and effectiveness of internal and external risk reporting.

Composition and experience

The Committee comprises Jillian Jones (Chair), Heather Lauder and James Dow. Jillian Jones and Heather Lauder are both independent Non-Executive Directors.

The Committee members bring significant financial and operational experience, and the Board considers that the Committee possesses appropriate recent and relevant financial expertise. Jillian Jones is a Fellow of the Institute of Chartered Accountants in England and Wales.

The Chief Executive Officer and Chief Finance and Operating Officer attend meetings by invitation, and the Committee has access to external advisers as required. The Committee also meets privately with the external auditor without management present where appropriate.

The Committee met three times during the year ended 31 March 2026, with full attendance at all meetings.

Annual report and accounts

The Audit & Risk Committee has reviewed the Group's annual financial statements for the year ended 31 March 2026 and advised the Board that, in its view, they are fair, balanced and understandable and provide the necessary information for shareholders to assess the Group's position, performance, business model and strategy.

In reaching this conclusion, the Committee considered;

- key accounting policies and judgements
- significant estimates and assumptions; and
- the clarity and consistency of disclosures across the Annual Report

Key areas of judgement considered during the year included;

- recoverability of trade receivables
- valuation of share-based payment arrangements; and
- the assessment of impairment of goodwill and intangible assets

The Committee reviewed detailed papers from management, including reports prepared by the Chief Finance & Operating Officer, and challenged assumptions where appropriate. The Committee also considered the work and findings of the external auditor, BDO LLP, throughout the process.

The Committee noted that IFRS 18 (Presentation and Disclosure in Financial Statements) will become effective for accounting periods beginning on or after 1 January 2027 and has set out in note 2 of the financial statement the expected impact.

Internal controls and risk management

The Board has overall responsibility for the Group's system of internal control and risk management and sets the Group's policies in this area, taking into account the advice and recommendations of the Committee.

Management is responsible for the implementation and operation of these systems, including the identification, evaluation and management of risks, and the reporting of control issues to the Board and the Committee. The Group maintains a formal risk management framework supported by;

- a comprehensive risk register
- quarterly review and update of risks by senior management; and
- detailed review and challenge by the Committee

During the year, the Committee continued to oversee the Group's assurance programme, which supports compliance with internal policies and procedures. No material areas of non-compliance were identified.

The Group has continued to support licensees and the legal division through;

- compliance inductions
- MLRO Knowledge shares; and
- Enhanced governance and regulatory support, particularly in relation to legal operations

The Committee also engaged a third-party specialist to conduct a cyber review to provide assurance over the effectiveness of the Group's IT security controls and policies.

Cyber risk remains an area of focus for the Committee, particularly in light of the increasing adoption of SaaS-based AI solutions. These introduce risks relating to data security, client confidentiality and regulatory compliance, as well as increased reliance on third-party systems and controls.

The Group operates an annual budgeting and forecasting process which is reviewed and approved by the Board. Performance against budget is monitored regularly, with variances reviewed by management and the Board, providing a key control over financial performance.

The Group's Risk Management Framework supports the identification, assessment and management of principal risks, with clear ownership and accountability. This framework is reviewed regularly by the Committee to ensure it remains appropriate as the Group continues to scale.

The Committee is satisfied that the Group's risk management processes and internal controls were effective and operating appropriately throughout the year.

External audit process

The Committee is responsible for overseeing the Group's relationship with its external auditor, including audit quality, independence and effectiveness.

During the year, the Committee conducted a formal audit tender process, inviting a number of firms with appropriate sector expertise to participate. Following a comprehensive evaluation process, including assessment of audit quality, independence, capability, cultural alignment and value for money, the Committee recommended the reappointment of BDO LLP as the Group's external auditor.

The Committee remains satisfied that the auditor continues to demonstrate appropriate independence, technical expertise and understanding of the Group's business model.

The Committee reviewed and approved the external audit plan, which set out the scope of the audit, key risk areas and audit timetable. Following completion of the audit, BDO presented its findings to the Committee, and no significant issues were identified.

The Committee remains satisfied that:

- the external audit was conducted effectively;
- the auditor maintained independence and objectivity; and
- the audit process continues to meet the needs of the Group as it scales.

Internal audit function

Given the size and stage of development of the Group, the Board does not currently consider it necessary to establish a formal internal audit function.

Instead, the Group operates an assurance framework and control environment designed to provide appropriate oversight and confidence over key processes and risks. The need for an internal audit function is kept under regular review and will continue to be reviewed as the Group evolves and scales.

REMUNERATION & NOMINATIONS COMMITTEE REPORT

Overview

The Remuneration and Nominations Committee is responsible for determining and agreeing the remuneration policy for the Executive Directors and senior management, as well as reviewing the remuneration framework across the Group.

The Committee's objective is to ensure that remuneration arrangements:

- support the Group's strategy;
- align management interests with those of shareholders;
- reward performance fairly and responsibly; and
- are competitive to attract, retain and motivate high-calibre individuals.

The Committee takes into account market conditions, the Group's performance and the broader employee environment when setting remuneration.

Composition and meetings

The Committee comprises Jillian Jones (Chair), Heather Lauder and James Dow.

The Committee met three times during the year ended 31 March 2026, with full attendance at all meetings. The Chief Executive Officer is invited to attend meetings where appropriate, although she is not present when her own remuneration is discussed.

Remuneration policy

The Group's remuneration policy is designed to support its capital-light, entrepreneurial platform model.

The key components of Executive remuneration are:

- base salary;
- performance-related bonus;
- share-based incentives; and
- benefits and pension contributions.

A significant proportion of total remuneration is performance-linked, ensuring that rewards are aligned with the delivery of the Group's strategic objectives and shareholder value creation.

No changes were made to the overall remuneration policy during the year.

Remuneration in FY26

In determining remuneration outcomes for the year, the Committee considered:

- Group financial performance;
- progress against strategic priorities, including the scaling of DR Solicitors and the development of the DSW Legal platform;
- the broader macroeconomic environment; and
- individual performance.

The Committee exercised judgement to ensure that remuneration outcomes were appropriate and aligned with both performance and the experience of wider stakeholders across the Group.

Performance-related incentives

Annual bonuses for Executive Directors and senior management are based on a combination of financial and strategic performance measures.

During the year, performance metrics included:

- financial performance, including profitability and cash generation;
- operational progress across the Network; and
- delivery against key strategic initiatives.

Bonus outcomes reflect performance against these metrics, alongside the Committee's assessment of overall performance. There were no bonuses paid or accrued in relation to the financial year ended 31 March 2026.

Share-based incentives

The Group operates share-based incentive arrangements to align management interests with those of shareholders and to support long-term value creation.

The Committee reviews the appropriateness of these arrangements on an ongoing basis, taking into account market practice and the Group's growth strategy.

Wider workforce considerations

While the Committee's primary focus is on Executive remuneration, it also considers the broader remuneration framework across the Group.

The Committee takes into account:

- salary reviews;
- incentive structures; and
- the overall employee value proposition,

to ensure consistency and fairness.

External benchmarking

The Committee considers remuneration levels in the context of comparable AIM-listed companies and relevant professional services firms to ensure that the Group remains competitive while maintaining appropriate cost discipline.

Looking ahead

In the coming year, the Committee will continue to focus on:

- ensuring remuneration structures support the Group's growth strategy, particularly within the legal platform;
- aligning incentives with long-term value creation; and
- maintaining a transparent and fair approach to remuneration across the Group.

Directors' remuneration summary

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

£'000	Salary & Fees	Social Security	Pension Contributions	**Total 2026**	Total 2025
Heather Lauder	58	8	-	**66**	59
James Dow	67	9	-	**76**	242
Jillian Jones	43	6	-	**49**	42
Shrutisha Morris	210	28	9	**247**	156
Pete Fendall	135	17	6	**158**	156
Jonathan Schofield	-	-	-	**-**	24
Nicole Burstow	-	-	-	**-**	27
	513	**68**	**15**	**596**	**706**

On 1 April 2025, Shrutisha Morris succeeded James Dow as Chief Executive Officer with James Dow transitioning into the role of Executive Director. From 1 October 2025, James Dow became a non-executive director and sits on both the Audit Committee and the Remuneration & Nominations committee.

Long term incentive plan

PSP Award

The following table shows the PSP Awards held by Directors:

	2026	2025
James Dow	**475,213**	563,509
Shrutisha Morris	**516,211**	179,551
Pete Fendall	**547,972**	279,369
Total	**1,539,396**	**1,022,429**

PSP awards which were granted to James Dow in FY23 either lapsed or vested in the current year. See Note 24 for further details.

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:

		2026		**2025**
	Number	**% of issued shares**	**Number**	**% of issued shares**
James Dow	4,260,827*	16.95%	4,140,827*	16.5%
Shrutisha Morris	-*	-*	-*	-
Pete Fendall	10,962*	0.04%	10,962*	0.04%
Heather Lauder	38,739	0.15%	38,739	0.2%
Jillian Jones	56,639	0.23%	56,639	0.3%

**James Dow. Shrutisha Morris and Pete Fendall hold additional shares in respect of PSP awards. Further details can be found in note 24 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 2026. The Corporate Governance Statement set out on pages 37-39 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.

In June 2026, DSW Capital supported the acquisition of Integer Advisory Limited, in one of our licensee businesses investing £360,000 to acquire 20% of the enlarged business.

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 26 to the financial statements.

Results and dividends

The Group recorded revenue in the year of £6.2m (2025: £4.9m) and profit after tax of £0.6m (2025: £1.0m).

An interim dividend of 1.2 pence per fully paid ordinary share was paid on 16 January 2026. The Directors propose a final dividend for the year ended 31 March 2026 of 2.0 pence per share, subject to the approval at the Annual General Meeting on 30 September 2026.

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 32-34. Further information relating to the financial risk of the Group has been included within note 26 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 at least twelve months from the date of signing the accounts in order to meet its operational and financial obligations as they fall due.

The Group has a significant cash balance of £2.0m, has a model which is cash generative and a limited fixed cost base. At 31 March 2026, the Group has net assets of £10.0m (2025: £10.0 million) and net current assets of £3.2m (2025: £3.8m) which reflects the strong financial position for the Group. In addition, the Group is profitable with adjusted profit after tax of £1.1m in the year ended 31 March 2026.

The Group has prepared detailed cash flow forecasts and stress-tested various scenarios including reduced growth and increased cost base, all of which indicate that the Group will maintain adequate liquidity throughout the forecast period. Furthermore, the Group remained in full compliance with all financial covenants associated with its borrowing facilities throughout the financial year. To facilitate the acquisition of Integer Advisory it was agreed with OakNorth that the debt-service covenants for June 2026 and September 2026 would be waived, with a monthly minimum liquidity covenant of £2.5 million, including £1.5m cash and £1m undrawn RCF, being introduced for this period. Based on current forecasts and financial performance, management expects to continue to meet the existing gross leverage and debt service covenants for the foreseeable future post September 2026.

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 22.

The Company has one class of equity share, being ordinary shares of 0.25 pence each, carrying full voting, dividend and capital distribution rights. The shares 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 24. Shares held by the DSW Capital Employee Benefit Trust abstain from voting.

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
- Shrutisha Morris

James Dow transitioned from Executive Director to Non-Executive Director on 01 October 2025.

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.

The appointment and replacement of Directors is governed by the Company's Articles of Association, applicable legislation and the Company's governance framework, as described in the Corporate Governance Statement on pages 37-39.

Details of Directors' remuneration are set out in the Remuneration & Nominations Committee Report. Related party transactions are disclosed in note 28 to the 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 2026 were as shown in the table below:

	No. of Shares	% Shareholding
James Dow & Beverley Dow	4,260,827	16.95%
Nils Christansen & Daphne Robertson	3,204,748	12.75%
Mark Watts & Julie Watts	2,991,360	11.90%
James Tipping	1,782,464	7.09%
Philip Price & Joanne Price	1,495,680	5.95%
Jonathan Schofield & Fiona Schofield	1,233,600	4.91%
Canaccord Genuity Group Inc	798,500	3.17%
Adam Dow	778,663	3.10%
Susannah Dow	776,411	3.09%

Employees

The Group operates an equal opportunities employment policy. Recruitment, training, development and promotion decisions are made on the basis of merit, with appropriate consideration given to individual skills, experience and development potential.

The Group gives full and fair consideration to applications from disabled persons, having regard to their aptitudes and abilities, and provides training and support to employees to enable them to develop their skills and capabilities.

The Group values employee engagement and seeks to ensure that employees are kept informed of matters affecting the performance and development of the business.

The Group operates share-based incentive arrangements, including the Growth Share Plan established in March 2021.

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 (2025: 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 ('CO2') 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:

	2026	2025
Energy Consumption		
Scope 1 Emissions:		
Gas kWh	8,645	11,566
Scope 2 Emissions:		
Electricity kWh	11,237	9,113
Total energy used in kWh	**19,882**	**20,679**
Carbon Emissions:		
Scope 1 emissions (tCO_2e)	1.6	2.1
Scope 2 emissions (tCO_2e)	2.0	1.9
Total Scope 1 & 2 emissions (tCO_2e)	**3.6**	**4.0**
Emissions Intensity Ratios:		
Tonnes CO_2e – per £m Revenue	**0.58**	**0.81**
Tonnes CO_2e – per Average FTE	**0.18**	**0.20**

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 2025 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 not available from the landlord for the current period. We have therefore used the information provided in the prior year pro-rated to determine an estimate for electricity usage at our Guildford office in 2026.

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 decreased by 25% which is due to the prior year period being inflated as it reflected a true-up in usage as estimated meter readings had been used in FY24 resulting a catch up charge. There has been no equivalent catch 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.

Our Scope 2 emissions increased due to the full year impact of the DR Solicitors Acquisition which was acquired in November 2024.

It is our target to become Carbon Neutral with respect of our Scope 1 & Scope 2 emissions by 2028 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. 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 27-31.

Notice of AGM

The Company's AGM will be held at 09:00 hours on 30 September 2026 at Daresbury Park Hotel, Daresbury Park, Warrington, WA4 4BB.

DIRECTORS' REPORT

Disclosure of information to the auditor

Each Director confirms that, so far as they are aware:

- There is no relevant audit information of which the Group's auditor is unaware; and
- They have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given in accordance with section 418 of the Companies Act 2006.

Following a competitive tender process conducted during the year, BDO LLP has been reappointed as the Group's external auditor. The Audit & Risk Committee remains satisfied with the auditor's independence, objectivity and effectiveness and has recommended their reappointment to shareholders at the forthcoming Annual General Meeting.

Approval

This report was approved by the Board of Directors on 27 July 2026 and signed on its behalf by:

DSW Capital PLC
7400 Daresbury Park
Daresbury
Warrington
WA4 4BS

27 July 2026

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 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 the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board:

DSW Capital PLC
7400 Daresbury Park
Daresbury
Warrington
WA4 4BS

27 July 2026

By order of the Board,

H. Lauder

Heather Lauder
Chair

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 2026 and of the Group's profit and the Group's and the Parent Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.
- We have audited the financial statements of DSW Capital Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2026 which comprise of the following:

Group	Parent Company
Consolidated statement of comprehensive income	
Consolidated statement of financial position	Company statement of financial position
Consolidated statement of changes in equity	Company statement of changes in equity
Consolidated cash flows statement	Company cash flows statement
Notes 1 to 28 to the consolidated financial statements	Notes 1 to 28 to the company financial statements
Material accounting policy information	

- The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the 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 July 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 with the Directors' going concern assessment

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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Company's ability to continue as a going concern.

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

Overview

Key audit matters		2025	2024
	1. Risk over improper recognition of revenue and application of IFRS 15	✓	✓
	2. Risk over valuation of acquired intangible assets	✓	
		2026	2025
	1. Risk over improper recognition of revenue and application of IFRS 15	✓	✓
	2. Risk over valuation of acquired intangibles		✓
	KAM 2 is no longer considered to be a key audit matter because there are no acquisitions during the current year.		
Materiality	*Group financial statements as a whole.* *£52,400 (2025: £66,000) based on 5% (2025: 5%) of an average profit before tax over two years*		

An overview of the scope of our audit

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

Components in scope

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 the Group audit, it operates as a cost centre. DSW Operations Limited is a dormant legal entity.

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.

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

- Procedures on the entire financial information of the component, including performing substantive procedures
- 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

Changes from the prior year

The risk over the valuation of acquired intangible assets has been removed as there has been no acquisition during the current 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.

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
Risk over improper recognition of revenue and application of IFRS 15 Refer to "Note 2 – Revenue Recognition" within Accounting Policies and "Note 4 _ Revenue" for further details.	Revenue for the year amounted to £6,172m. The Group's main revenue sources are licence fees, profit share and revenue generated from the provision of legal services. Under IFRS 15 *Revenue from Contracts with Customers,* revenue is recognised when a performance obligation is satisfied. 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. There is risk that fictitious licence fees may be recognised, specifically prior to year end, in order to increase the Group performance. Profit share income is only recognised at the point at which the risk of reversal is deemed to be remote. There is therefore a risk that management may recognise fictitious profit share on existing businesses, this could be done by recognising revenue from periods outside of the current financial year, leading us to raise a risk over revenue cut-off. They could also recognise profit share on non-existent businesses. These fictitious balances will not be paid therefore there is risk that unpaid balances are fraudulent. 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. As a result of the above, we considered this to be a key audit matter.	Our procedures included the following: • Performing analytical reviews on quarterly licence fees and investigating significant fluctuations through inquiry with management and corroborating their explanations to licensee management accounts. An analytical review was also performed for profit share income, and significant fluctuations were investigated through inquiry with management and corroborating their explanations to the performance within the management accounts; • Specifically testing a sample of unpaid invoices to supporting documentation to ensure this was recognised correctly in the correct period; • Recalculating the licence fee income on a total basis for a sample of licence fee income recognised for the year; • Profit share recomputed for a sample of profit share income recognised; • Agreeing a sample of accrued revenue to post year-end sales invoice and receipts to check the existence at year end; • We have recalculated accrued profit share from licensee's, ensuring accurate cut-off was applied by only recognising revenue related to the period; • Reviewing post year end nominal ledgers for credit notes to check that there were no reversals of the revenue that was recognised in the 2026 financial year (for all revenue streams noted); • 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 (for all revenue streams noted). Key observations Based on the procedures performed, we did not identify any matters to suggest that the recognition of revenue was inappropriate.

Our application of materiality

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

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

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

	Group financial statements		**Parent company financial statements**	
	2026 £m	2025 £m	2026 £m	2025 £m
Materiality	£52,400	£66,000	£40,750	£51,000
Basis for determining materiality	We determined profit before tax to be the appropriate benchmark as profit before tax is a key measure of the Group's performance for users of the financial statements. We used an average profit before tax over the current and prior year in order to address the volatility in results in recent years.	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.
Performance materiality	£39,300	£49,000	£29,475	£38,000
Rationale for the benchmark applied	75% of materiality	75% of materiality	75% of materiality (capped to Group allocated performance materiality)	75% of materiality
Basis for determining performance materiality	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 75% (2025: DSW Capital Plc 83%, and DR Solicitor Limited 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 for both DSW Capital Plc and DR Solicitors Limited was £29,475 (2025: £38,000 and £40,670 respectively). Component performance materiality for DSW Services Limited was £37,335 (2025: £46,500).

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 £2,620 (2025: £3,000). 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 "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.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and 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.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Director's 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.

Auditor's responsibilities for the audit of the financial statements

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

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

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

Non-compliance with laws and regulations

Based on:

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

We considered the significant laws and regulations to be UK adopted international accounting standards, AIM Listing 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, the Solicitors Regulation Authority rules and data protection act.

Our procedures in respect of the above included:

- Enquires of management whether there were any litigations and claims;
- 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; 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;

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

- 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.

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; and
- 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. 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.

Paula Holland (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Manchester, United Kingdom

27 July 2026

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Continuing operations			
Revenue	4	6,172	4,855
Cost of Sales		(1,362)	(582)
Gross profit		**4,810**	**4,273**
Share of results of associates	15	94	110
Share of results of jointly controlled entity	16	63	96
Administrative expenses		(4,025)	(3,175)
Operating profit		**942**	**1,304**
Finance income	8	230	232
Impairment of loans due from associated undertakings		(80)	(62)
Finance costs	9	(294)	(173)
Profit before tax		**798**	**1,301**
Income tax	10	(239)	(317)
Profit for the year	5	**559**	**984**
Total comprehensive income for the year attributable to owners of the Company		**559**	**984**
Earnings per share			
From continuing operations			
Basic	12	£0.02	£0.04
Diluted	12	£0.02	£0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Note	2026 £'000	2025 £'000
Non-current assets			
Intangible assets	13	6,568	6,952
Property, plant and equipment	14	177	297
Lease receivable	23	-	31
Investments	17	1,518	1,507
Investments in associates	17	131	182
Interests in jointly controlled entities	17	85	73
Prepayments and Accrued Income	18	711	744
		9,190	**9,786**
Current assets			
Trade receivables	18	1,303	1,354
Prepayments and Accrued Income	18	983	839
Other receivables	18	595	763
Lease receivable	23	30	50
Cash and bank balances		2,029	2,683
		4,940	**5,689**
Total assets		**14,130**	**15,475**
Current liabilities			
Trade payables	21	539	499
Other taxation	21	291	410
Other payables	21	143	71
Accruals and Deferred Income	21	585	553
Current tax liabilities	21	62	202
Lease liability	23	58	162
Dilapidation provision	21	89	-
		1,767	**1,897**
Net current assets		**3,173**	**3,792**
Non-current liabilities			
Bank loan	21	1,846	2,771
Deferred tax provision	20	563	649
Lease liability	23	-	58
Dilapidation provision	21	-	85
		2,409	**3,563**
Total liabilities		**4,176**	**5,460**
Net assets		**9,954**	**10,015**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equity			
Share capital	22	63	63
Share premium		5,268	5,268
Share-based payment reserve		594	575
Merger reserve	22	1,738	1,738
Retained earnings		2,291	2,371
Total Equity attributable to owners of the Company		**9,954**	**10,015**

The financial statements on pages 59-101 were approved by the board of directors and authorised for issue on 27 July 2026. They were signed on its behalf by:

Peter Fendall
Director
27 July 2026

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Note	2026 £'000	2025 £'000
Non-current assets			
Intangible assets	13	610	653
Property, plant and equipment	14	55	60
Lease receivable	23	-	31
Investments	17	7,809	7,798
Investments in associates	17	131	182
Interests in jointly controlled entities	17	85	73
Prepayments and Accrued Income	18	711	744
Other receivables	18	200	155
Deferred tax asset	20	8	6
		9,609	**9,702**
Current assets			
Trade receivables	18	814	1,194
Prepayments and Accrued Income	18	373	449
Other receivables	18	595	763
Current tax asset		17	-
Lease receivable	23	30	50
Cash and bank balances		1,477	2,356
		3,306	**4,812**
Total assets		**12,915**	**14,514**
Current liabilities			
Trade payables	21	271	211
Other taxation	21	128	268
Other payables	21	993	781
Accruals and Deferred Income	21	87	317
Current tax liabilities	21	-	80
Lease liability	23	34	56
Dilapidation provision	21	1	-
		1,514	**1,713**
Net current assets		**1,792**	**3,099**
Bank loan	21	1,846	2,771
Lease liability	23	-	34
Dilapidation provision	21	-	1
		1,846	**2,806**
Total liabilities		**3,360**	**4,519**
Net assets		**9,555**	**9,995**

COMPANY STATEMENT OF FINANCIAL POSITION

Equity			
Share capital	22	63	63
Share premium		5,268	5,268
Share-based payment reserve		594	575
Merger reserve	22	1,738	1,738
Retained earnings		1,892	2,351
Total Equity attributable to owners of the Company		**9,555**	**9,995**

The profit after tax for the Company was £180,000 (2025: £798,000). 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 59-101 were approved by the board of directors and authorised for issue on 27 July 2026. They were signed on its behalf by:

PJFendall

Peter Fendall
Director
27 July 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital £'000	Share premium £'000	Share-based payments reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 March 2024	**55**	**5,268**	**498**	**-**	**1,767**	**7,588**
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 24)	-	-	(27)	-	27	-
Balance at 31 March 2025	**63**	**5,268**	**575**	**1,738**	**2,371**	**10,015**
Profit for the year	-	-	-	-	559	559
Dividends	-	-	-	-	(788)	(788)
Share-based payments	-	-	168	-	-	168
Issue of shares in year	-	-	-	-	-	-
Reserves transfer (Note 24)	-	-	(149)	-	149	-
Balance at 31 March 2026	**63**	**5,268**	**594**	**1,738**	**2,291**	**9,954**

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital	Share premium	Share-based payments reserve	Merger reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2024	**55**	**5,268**	**498**	**-**	**1,933**	**7,754**
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 24)	-	-	(27)	-	27	-
Balance at 31 March 2025	**63**	**5,268**	**575**	**1,738**	**2,351**	**9,995**
Profit for the year	-	-	-	-	180	180
Dividends	-	-	-	-	(788)	(788)
Share-based payments	-	-	168	-	-	168
Issue of shares in year	-	-	-	-	-	-
Reserves transfer (Note 24)	-	-	(149)	-	149	-
Balance at 31 March 2026	**63**	**5,268**	**594**	**1,738**	**1,892**	**9,555**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000 Restated (See Note 2)
Profit for the year		**559**	**984**
Adjustments for:			
Income tax expense	10	239	317
Net interest payable / (income)		64	(59)
Depreciation of property, plant and equipment	14	172	169
Amortisation of intangible assets	13	384	185
Share-based payment expense	24	168	104
Impairment of loans due from associated undertakings		80	62
Share of profits of associates and jointly controlled entities*	17	(156)	(206)
Operating cash flows before movements in working capital		**1,510**	**1,556**
Decrease / (increase) in trade and other receivables		90	(218)
Increase in trade and other payables		26	575
Dividends received from associates and jointly controlled entities*	17	195	118
Cash generated by operations		**1,821**	**2,031**
Income taxes paid		(465)	(599)
Net cash inflow from operating activities		**1,356**	**1,432**
Investing activities			
Purchases of property, plant and equipment	14	(52)	(61)
Acquisition of subsidiary net of cash acquired	17	-	(3,516)
Interest received on loans*		116	77
Lease receivable amounts received*	23	56	61
Bank interest received*		35	72
Net cash used in investing activities		**155**	**(3,367)**
Financing activities			
Loan financing (repaid) / received		(1,000)	2,738
Dividends paid	11	(788)	(407)
Lease payments	23	(162)	(156)
Lease interest		(12)	(22)
Interest paid*		(203)	(113)
Share issue costs		-	(54)
Net cash (used) / generated in financing activities		**(2,165)**	**1,986**
Net (decrease) / increase in cash and cash equivalents		**(654)**	**51**
Cash and cash equivalents at beginning of year		**2,683**	**2,632**
Cash and cash equivalents at end of year		**2,029**	**2,683**

* The prior year cashflows have been restated as detailed in note 2 to the financial statements.

COMPANY CASH FLOW STATEMENT

For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000 Restated (See Note 2)
Profit for the year		**180**	**798**
Adjustments for:			
Income tax expense		81	236
Net interest expense / (income)		70	(68)
Depreciation of property, plant and equipment	14	37	37
Amortisation of intangible assets	13	43	43
Share-based payment expense	24	168	104
Impairment of loans due from associated undertakings		80	62
Share of profits of associates and jointly controlled entities*	17	(156)	(206)
Operating cash flows before movements in working capital		**503**	**1,006**
Decrease / (increase) in trade and other receivables		594	(203)
(Decrease) / increase in trade and other payables		(99)	447
Dividends received from associates and jointly controlled entities*	17	195	118
Cash generated by operations		**1,193**	**1,368**
Income taxes paid		(180)	(131)
Net cash inflow from operating activities		**1,013**	**1,237**
Investing activities			
Purchases of property, plant and equipment	14	(32)	(32)
Investments in the period including acquisition costs	17	-	(3,776)
Interest received on loans*		116	77
Lease receivable amounts received*	23	56	61
Bank interest received*		21	77
Net cash used in investing activities		**161**	**(3,593)**
Financing activities			
Loan financing (repaid) / received		(1,000)	2,738
Dividends paid	11	(788)	(407)
Lease payments	23	(56)	(55)
Lease interest		(6)	(12)
Interest paid*		(203)	(113)
Share issue costs		-	(54)
Net cash (used) / generated in financing activities		**(2,053)**	**2,097**
Net decrease in cash and cash equivalents		**(879)**	**(259)**
Cash and cash equivalents at beginning of year		**2,356**	**2,615**
Cash and cash equivalents at end of year		**1,477**	**2,356**

* The prior year cashflows have been restated as detailed in note 2 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

DSW Capital plc is 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 and newly established 'DSW Legal' trading style.

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 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 an amendment to IFRS accounting standards issued by the International Accounting Standards Board (IASB) that is mandatorily effective for an accounting period that begins on or after 1 January 2025. This has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Lack of exchangeability (Amendment to IAS 21 *The effects of Changes in Foreign Exchange Rates*)

  On 15 August 2023, the IASB issued *Lack of Exchangeability* which amended IAS 21 *The Effects of Changes in Foreign Exchange Rates* (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.
- On 28 November 2025, the IASB issued *Disclosures and Uncertainties in the Financial Statements* – illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their Financial Statements. The illustrative examples are accompanying materials to IFRS accounting standards and do not have an effective date. The IASB has issued a near final staff draft of the illustrative examples in July 2025. The Group has considered these illustrative examples in its preparation of the consolidated financial statements and no additional disclosures or changes in presentation were considered necessary.

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

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

The following amendments are effective for the annual reporting period beginning 1 April 2027:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)
- Contracts referencing nature-dependent electricity (Amendments to IFRS9 ad IFRS7)

The following standards and amendments are effective for the annual reporting period beginning 1 April 2028:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 18 *Presentation and Disclosure in Financial Statements*, which was issued by the IASB in April 2024 supersedes IAS1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 *Basis of Preparation of Financial Statements* (renamed from *Accounting Policies, Changes in Accounting Estimates and Errors*). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management defined performance measures.

The Group does not expect to be eligible to apply IFRS 19.

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.

Prior period restatement

There are three restatements in relation to reclassifications within the prior year consolidated and company cash flow statements. Firstly, interest received and interest paid were previously presented on a net basis as 'net interest received' within financing activities in both the consolidated and company cashflow statements. Gross interest received has been reclassified within investing activities, and gross interest paid has been reclassified within financing activities, to reflect the requirements of IAS 7. Secondly, lease receivable amounts received from a sub-lease were presented within financing activities in both consolidated and company cash flow statements in the prior year. These have been reclassified to within investing activities to better reflect their nature as cash flows arising from long-term assets. Thirdly, decrease / (increase) in amounts owed from associates in relation to profit share previously included dividend received from associate which needs to be presented separately based on IAS 7.31. This line has now been split into Share of profit of associates and jointly controlled entities and Dividend received from associates and jointly controlled entities. Comparative amounts have been restated accordingly. All restatements have no impact on the profit or asset position of the Group or the Company.

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 £2.0m, has a model which is strongly cash generative and a limited fixed cost base. At 31 March 2026, the Group has net assets of £10.0m (2025: £10.0m) and net current assets of £3.2m (2025: £3.8m) which reflects the strong financial position for the Group. In addition, the Group is profitable with adjusted profit after tax of £1.1m in the year ended 31 March 2026.

The Group has prepared detailed cash flow forecasts and stress-tested various scenarios including reduced growth and increased cost base, all of which indicate that the Group will maintain adequate liquidity throughout the forecast period. Furthermore, the Group remained in full compliance with all financial covenants associated with its borrowing facilities throughout the financial year. To facilitate the acquisition of Integer Advisory it was agreed with OakNorth that the debt-service covenants for June 2026 and September 2026 would be waived, with a monthly minimum liquidity covenant of £2.5m, including £1.5m cash and £1m undrawn RCF, being introduced for this period. Based on current forecasts and financial performance, management expects to continue to meet the existing gross leverage and debt service covenants for the foreseeable future post September 2026.

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.

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.

The Group has established an EBT, the DSW Employee Benefit Trust, which has not been consolidated in these financial statements as its effect on the Group's financial position, performance and cashflows is immaterial.

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.

All interest income on long-term loans to licensees is classified as investing activities within the cashflow statement.

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 as this is a sales based license payment under IFRS15. 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%.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right of use assets are amortised on a straight line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

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.

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. Termination benefits are recognised as an expense when the Group is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date.

Short-term and other long-term employee benefits

Wages, salaries, paid annual leave and 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.

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

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. Intangible assets are tested for impairment only when indicators exist. 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 value 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 the profit and 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-rate 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.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, 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 not yet 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 18 for details.

(e) *Contract Assets*

Amounts relating to contract assets, which are disclosed within prepayments and accrued income above, are balances that can be classified as consideration payable to licensees. 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 8).

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on the Group's loans to licensees and trade receivables using the simplified method. 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 expected credit loss provision is most sensitive to the probability of default applied to each individual licensee.

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 their Fair Value minus 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.

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.

Interim dividends are recognised when paid by the Board of Directors. Final dividends are recognised when approved by shareholders at the Annual General Meeting.

Related Party Transactions

Details of related party transactions entered into by members of the Group are set out in Note 27.

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 24.

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 reserves.

At each reporting date, for equity-settled awards which have vested, the cumulative amount recognised in the share-based payment reserve is transferred to retained earnings.

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 investments 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.

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 classified as other investments and accounted for 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 and are presented as such. 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 loans to licensees

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. A 5% change in the probability of default would increase or decrease the ECL provision by c.£50,000.

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. Loans to licensees are shown as 'Other Receivables' within Note 18.

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.

Impairment of goodwill and customer relationships

The Group is required to assess goodwill and certain intangible assets for impairment at least annually, and more frequently where there are indicators of impairment. This assessment involves significant estimation in determining the recoverable amount of the relevant cash-generating units.

The key assumptions applied in the impairment models are the discount rates used to discount the projected cash flows and the long-term growth rates applied. These assumptions are based on management's estimates of market conditions and the specific risks applicable to the Group's operations.

The Directors have performed sensitivity analysis on these key assumptions and are satisfied that reasonable possible changes would not give rise to an impairment. At the reporting date, the recoverable amount exceeds the carrying value of the relevant cash-generating units, resulting in sufficient headroom.

Further details of the assumptions applied and the sensitivity analysis performed are set out in Note 13.

4. Revenue

Disaggregation of revenue

	2026 £'000	2025 £'000
External revenue by product line		
Licence Fee Income	2,524	3,238
Profit Share Income	100	191
Legal fee income	3,548	1,426
Total Revenue	**6,172**	**4,855**

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

	2026 £'000	2025 £'000
External revenue by reporting line		
Licence fees attributable to Mergers & Acquisition ('M&A')	1,845	2,490
Licence fees attributable to Other	679	748
Profit share attributable to M&A	85	182
Profit share attributable to Other	15	9
Legal fee Income	3,548	1,426
Total Revenue	**6,172**	**4,855**

5. Profit for the year

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

	2026 £'000	2025 £'000
Depreciation of property, plant and equipment	172	169
Amortisation on other intangibles	43	43
Amortisation on customer relationships	341	142
Employee pension	30	18
Expected credit loss - licence fees	(74)	91
Expected credit loss - outstanding loans	80	62
Expected credit loss - profit share	(11)	4
Share-based payment expense	168	104

6. Auditors’ remuneration

	2026 £’000	2025 £’000
Audit of the Group financial statements	84	110
Total auditors’ remuneration	**84**	**110**

7. Staff costs

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

	2026 Number	2025 Number
Central Heads	26	19
	26	**19**

Their aggregate remuneration comprised:

	2026 £’000	2025 £’000
Wages and salaries	1,630	1,312
Social security costs	203	148
Other pension costs (see note 26)	30	18
	1,863	**1,478**

‘Other pension costs’ relate to the defined contribution plan charge as detailed in Note 25.

Aggregate Directors’ remuneration

	2026 £’000	2025 £’000
Wages and salaries	513	636
Social security costs	68	68
Other pension costs (see note 25)	15	2
	596	**706**

The highest paid Director’s total emoluments in the year were £219,183 (2025: £218,750) of which £9,183 (2025: £nil) related to pension costs.

Directors’ transactions

Dividends totalling £787,806 were paid in the year in respect of ordinary shares (2025: £406,796). Of the dividends, £139,749 (2025: £84,532) were paid to Directors of the Company who were currently serving at the time of payment. See Note 11 for details.

8. Finance income

	2026 £'000	2025 £'000
Interest income:		
Loan Interest	169	130
	169	**130**
Other finance income	61	102
Total finance income	**230**	**232**

9. Finance costs

	2026 £'000	2025 £'000
Interest costs on lease	(12)	(22)
Loan interest	(282)	(147)
Other finance costs	-	(4)
	(294)	**(173)**

10. Income Tax

	2026 £'000	2025 £'000
Corporation income tax:		
Current year	325	381
Adjustments in respect of prior years	-	(25)
	325	**356**
Deferred tax (see note 20)		
Origination and reversal of temporary differences	(86)	(39)
	239	**317**

The standard rate of corporation tax applied to reported profit is 25% (2025: 25%).

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

	2026 £'000	2025 £'000
Profit before tax on continuing operations	798	1,301
Tax at the UK corporation tax rate of 25% (2025: 25%)	**200**	**325**
Tax effect of expenses that are not deductible in determining taxable profit and reversal of prior year expenses not deducted previously	6	5
Depreciation and amortisation in excess of capital allowances	7	8
Other tax effects	-	2
Tax effect of adjustments in relation to prior periods	-	(25)
Tax effect of income not taxable in determining taxable profit	(16)	(24)
Tax effect of share based payment adjustment	42	26
Tax expense for the year	**239**	**317**

11. Dividends

	2026 £'000	2025 £'000
Amounts recognised as distributions to equity holders in the year:		
Dividend for the year to 31 March 2026 consisting of:		
Final dividend for the year to 31 March 2025 of £0.02 per share (2024: £0.0075 per share)	492	161
Interim dividend for the year to 31 March 2026 of £0.012 per share (2025: £0.01 per share)	296	246
	788	**407**
Final dividend for the year to 31 March 2026 of £0.02 per share (2025: £0.02 per share)	503	503
	523	**503**

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 11 September 2026 and the dividend payment date is 5 October 2026. The ex-dividend date is 10 September 2026.

12. Earnings per share

From continuing operations

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

Earnings	2026 £'000	2025 £'000
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the Company	559	984
Effect of dilutive potential ordinary shares:	-	-
Earnings for the purposes of diluted earnings per share	**559**	**984**

	2026	2025
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	25,131,108	22,696,074
Effect of dilutive potential ordinary shares:		
Share Options	231,208	402,895
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**25,362,316**	**23,098,969**

From continuing operations

Earnings	2026 £	2025 £
Basic earnings per share	0.02	0.04
Diluted earnings per share	**0.02**	**0.04**

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:

	2026 £'000	2025 £'000
Profit after tax on continuing operations	559	984
Adjusted for:		
Share-based payment expense	168	104
Amortisation of intangible assets recognised on acquisition accounting	341	142
Acquisition costs	-	25
Adjusted earnings for the purposes of adjusted basic and adjusted diluted earnings per share	**1,068**	**1,255**

Earnings	**2026** **£**	**2025** **£**
Adjusted basic earnings per share	0.04	0.05
Adjusted diluted earnings per share	**0.04**	**0.05**

Tax adjustments of £nil (2025: £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.

13. Intangible assets - Group

Group:	Customer Relationships £'000	Goodwill £'000	Intellectual Property & Trademarks £'000	Total £'000
Cost				
At 1 April 2024	-	-	865	865
Additions	2,729	3,712	-	6,441
At 31 March 2025	**2,729**	**3,712**	**865**	**7,306**
Additions	-	-	-	-
At 31 March 2026	**2,729**	**3,712**	**865**	**7,306**
Amortisation				
At 1 April 2024	-	-	169	169
Charge for the year	142	-	43	185
At 31 March 2025	**142**	**-**	**212**	**354**
Charge for the year	341	-	43	384
At 31 March 2026	**483**	**-**	**255**	**738**
Carrying amount				
At 31 March 2025	**2,587**	**3,712**	**653**	**6,952**
At 31 March 2026	**2,246**	**3,712**	**610**	**6,568**

Intellectual property relates to assets acquired on which licence fees are charged. £583k of the carrying amount as at 31 March 2026 (2025: £614k) relates to Camlee Group.

Customer relationships are amortised over an eight-year period which is the estimated average length of the underlying relationships. At 31 March 2026, the remaining amortisation period for customer relationships is 6.6 years. Management have determined that there are no impairment indicators regarding these amounts and, as such, there is no requirement to assess for impairment.

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 after which cash flows are extrapolated using a terminal value calculation base on an estimated growth rate of 1.5%. Management have used seven-year forecasts, as this reflects the repeat customer lifecycle based on historic retention rates.

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 11.4% The pre-tax estimated weighted average cost of capital is 15.2%.

Revenue growth over the seven years of the forecast period reflects, for FY27, the current run rate of revenue from the CGU, with anticipated growth and customer retention rates in FY28 – FY33 reflective of the loyal customer base. The long-term growth rate of 1.5% is based on UK economic growth forecasts.

The Group has carried out sensitivity analysis both increasing the weighted average cost of capital (WACC) by 5% and secondly by significantly reducing the growth assumptions. In each case there is no indication of impairment with headroom of £0.6m when increasing the WACC to 20.5% and headroom of £2.2m when reducing the growth assumptions.

Intangible assets - Company

Group:	Customer Relationships £'000	Goodwill £'000	Intellectual Property & Trademarks £'000	Total £'000
Cost				
At 1 April 2024	-	-	865	865
Additions	-	-	-	-
At 31 March 2025	**-**		**865**	**865**
Additions	-	-	-	-
At 31 March 2026	**-**	**-**	**865**	**865**
Amortisation				
At 1 April 2024	-	-	169	169
Charge for the year	-	-	43	43
At 31 March 2025	**-**	**-**	**212**	**212**
Charge for the year	-	-	43	43
At 31 March 2026	**-**	**-**	**255**	**255**
Carrying amount				
At 31 March 2025	**-**	**-**	**653**	**653**
At 31 March 2026	**-**	**-**	**610**	**610**

Intellectual property relates to assets acquired on which licence fees are charged. £583k of the carrying amount as at 31 March 2026 (2025: £614k) 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.

14. Property, plant and equipment

Group

	Right of Use Assets £'000	Office Fixtures, Fittings & Equipment £'000	Total £'000
Cost			
At 1 April 2024	**555**	**307**	**862**
Additions	5	61	66
On acquisition of DR Solicitors	-	37	37
Disposals	-	(2)	(2)
At 31 March 2025	**560**	**403**	**963**
Additions	-	52	52
At 31 March 2026	**560**	**455**	**1,015**
Accumulated depreciation			
At 1 April 2024	**266**	**233**	**499**
Charge for the year	117	52	169
Eliminated on disposal	-	(2)	(2)
At 31 March 2025	**383**	**283**	**666**
Charge for the year	119	53	172
At 31 March 2026	**502**	**336**	**838**
Carrying amount			
At 31 March 2025	**177**	**120**	**297**
At 31 March 2026	**58**	**119**	**177**

Company

	Right of Use Asset	Office Fixtures, Fittings & Equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2024	16	191	207
Additions	-	33	33
Disposals	-	(2)	(2)
At 31 March 2025	**16**	**222**	**238**
Additions	-	32	32
At 31 March 2026	**16**	**254**	**270**
Accumulated depreciation			
At 1 April 2024	1	142	143
Charge for the year	5	32	37
Disposals	-	(2)	(2)
At 31 March 2025	6	**172**	**178**
Charge for the year	5	32	37
At 31 March 2026	**11**	**204**	**215**
Carrying amount			
At 31 March 2025	10	50	60
At 31 March 2026	**5**	**50**	**55**

15. 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

	2026	2025
	£'000	£'000
The Group's share of profit from continuing operations	94	110
The Group's share of profit and total comprehensive income	**94**	**110**

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.

16. 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

	2026 £'000	2025 £'000
The Group's share of profit from continuing operations	63	96
The Group's share of profit and total comprehensive income	**63**	**96**

17. Investments

Group

	2026 £'000	2025 £'000
Investment in Associates	131	182
Investment in jointly controlled entities	85	73
Other investments	1,518	1,507
Total Investments	**1,734**	**1,762**

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.

Company

	2026 £'000	2025 £'000
Investment in Associates	131	182
Investment in jointly controlled entities	85	73
Investment in subsidiary company	6,291	6,291
Other investments	1,518	1,507
Total Investments	**8,025**	**8,053**

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 cash impact of movements in associate and investments in jointly controlled entities is included in the cash-flow statement within operating activities as this best reflects the fact that these arrangements arise from core business operations. Management believe it is appropriate to treat associates and jointly controlled entities consistently in this regard as both amounts arise from licensing activities.

The principal subsidiaries of the Company, all of which have been included in these consolidated financial statements, are as follows:

		Proportion of ownership	
Name	**Country of incorporation and principal place of business**	**2026**	**2025**
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%	100%

18. Trade and other receivables

	Company 2026 £'000	Company 2025 £'000	Group 2026 £'000	Group 2025 £'000
Trade receivables	831	1,360	1,385	1,534
Loss allowance	(51)	(166)	(82)	(180)
	780	**1,194**	**1,303**	**1,354**
Other receivables	1,104	1,192	1,104	1,192
Loss Allowance	(509)	(429)	(509)	(429)
	595	**763**	**595**	**763**
Prepayments and Accrued Income	1,086	1,206	1,696	1,596
Loss Allowance	(2)	(13)	(2)	(13)
	1,084	**1,193**	**1,694**	**1,583**
	2,459	**3,150**	**3,592**	**3,700**
Amounts due from subsidiary undertakings	234	155	-	-
	2,693	**3,305**	**3,592**	**3,700**

Included in prepayments and accrued income for both the company and the group are contract assets amounting to £711k (2025: £744k) due in greater than one year. Also included 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 and trade receivables on the company statement of financial position, are interest free and repayable on demand and £200k (£155k at 31 March 25) of this has been classified as due in greater than one year, as the Group does not expect this to be settled within the next 12 months.

Contract Assets

Amounts relating to contract assets, which are disclosed within prepayments and accrued income above, are balances that can be classified as consideration payable to a licensee. 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 20 years. In the year ended 31 March 2026, amortisation amounting to £25k was recognised within admin expenses (year ended 31 March 2025: £49k was recognised in admin expenses).

NOTES TO THE FINANCIAL STATEMENTS

	2026 £'000	2025 £'000
Contract assets		
Breakout Incentives	316	330
Below Market Element of Loans to Licensees	417	428
	733	**758**
Current	26	25
Non-Current	707	733
Total Investments	**733**	**758**

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:

	2026 £'000	2025 £'000
Balance at the beginning of the year	758	807
Amounts recognised in P&L	(25)	(49)
Balance at the end of the year	**733**	**758**

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 145 Days (2025: 103 days) and no interest has been charged on the receivables.

The ageing of trade receivables including lifetime expected credit loss provision at the reporting date was as follows:

31 March 2026	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	0%	14.8%	16.4%	13.2%	5.9%
Gross carrying amount	801	81	116	387	1,385
Loss provision	-	(12)	(19)	(51)	(82)
Net carrying amount	**801**	**69**	**97**	**336**	**1,303**

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)
Net carrying amount	**1,215**	**35**	**27**	**77**	**1,354**

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.

Movements in the impairment allowance for trade receivables are as follows:

	2026 £'000	2025 £'000
Opening provision for impairment of trade receivables	180	75
Increase during the year	27	140
Receivable written off during the year as uncollectible	(15)	-
Unused amounts reversed	(110)	(35)
Movement in provision for impairment during the year	**(98)**	**105**
Provision at 31 March	**82**	**180**

Other receivables

The Group also assessed each licensee loan individually as to their probability of default based on previous credit loss history which is adjusted for current and forward-looking information including historical and ongoing trading performance. 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.

Movements in the impairment allowance for other receivables are as follows:

	2026 £'000	2025 £'000
Opening provision for impairment of other receivables	429	368
Increase during the year	147	106
Receivable written off during the year as uncollectible	-	-
Unused amounts reversed	(67)	(45)
Movement in provision for impairment during the year	**80**	**61**
Provision at 31 March	**509**	**429**

19. Borrowings

Analysis of changes in net debt

	01 April 2024	Cash flow	Other non-cash changes	31 March 2025
Cash & bank balances	2,632	51	-	2,683
Change in liabilities arising from financing activities				
Lease Liability	(371)	178	(27)	(220)
Bank loan	-	(3,000)	-	(3,000)
Debt issue costs	-	262	(33)	229
Net Debt	**2,261**	**(2,509)**	**(60)**	**(308)**
	01 April 2025	**Cash flow**	**Other non-cash changes**	**31 March 2026**
Cash & bank balances	2,683	(654)	-	2,029
Change in liabilities arising from financing activities				
Lease Liability	(220)	174	(12)	(58)
Bank loan	(3,000)	1,000	-	(2,000)
Debt issue costs	229	-	(75)	154
Net Cash	**(308)**	**520**	**(87)**	**125**

Balances at 31 March 2026 comprise:

	Current assets £'000
Cash and bank balances	**2,029**

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 £3.0m and the full amount was drawn down to fund the acquisition of DR Solicitors with £1.0m being repaid early in June 2025. 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 2026, the Group has sufficient headroom in the RCF and is compliant with the covenants.

20. 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.

	2026 £'000	2025 £'000
At the beginning of the year (liability) / asset	(649)	2
Credited in the year	86	39
Liability acquired in the year	-	(690)
At the end of the year liability	**(563)**	**(649)**
The deferred tax provision is analysed as follows:		
Fixed asset timing differences	(1)	(2)
Intangible assets on acquisition of DR Solicitors	(562)	(647)
At the end of the year liability	**(563)**	**(649)**

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.

	2026 £'000	2025 £'000
At the beginning of the year asset	6	2
Credited in the year	2	4
At the end of the year asset	**8**	**6**
The deferred tax provision is analysed as follows:		
Fixed asset timing differences	8	6
At the end of the year liability	**8**	**6**

21. Trade and other payables

	Company 2026 £'000	Company 2025 £'000	Group 2026 £'000	Group 2025 £'000
Trade payables	271	211	539	499
Other taxation and social security	128	268	291	410
Amounts due to subsidiary company	865	715	-	-
Other payables	128	66	143	71
Accruals and Deferred Income	87	317	585	553
Dilapidation provision	1	-	89	-
Corporation Tax	-	80	62	202
	1,480	**1,657**	**1,709**	**1,735**

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 2026 £'000	Company 2025 £'000	Group 2026 £'000	Group 2025 £'000
Bank loan	1,846	2,771	1,846	2,771
Dilapidation provision	-	1	-	85
	1,846	**2,772**	**1,846**	**2,856**

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 0.75 years.

A £3.0m 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. £1.0 million was repaid early in June 2025. 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.

22. Share capital - Group and Company

	2026 Number	2026 £'000	2025 Number	2025 £'000
Authorised, issued and fully paid:				
Ordinary shares of 0.25 pence	25,131,108	63	25,131,108	63
	25,131,108	**63**	**25,131,108**	**63**

	Number	£'000
As at 31 March 2025	25,131,108	63
Share issue	-	-
As at 31 March 2026	**25,131,108**	**63**

Merger Reserve

In November 2024, DSW Capital plc issued shares as part consideration to acquire 100% of the issued Share Capital of DR Solicitors Limited and therefore merger relief applies. As such the excess over the par value of ordinary shares, amounting to £1,738k, was recognised as a Merger reserve which is a non-distributable reserve.

23. 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:

Right-of-use assets	**Company**	**Group**
	£'000	**£'000**
Balance at 1 April 2024	**15**	**289**
Additions in the year	-	5
Depreciation	(5)	(117)
Balance at 31 March 2025	**10**	**177**
Additions in the year	-	-
Depreciation	(5)	(119)
Balance at 31 March 2026	**5**	**58**

Lease liabilities	**Company**	**Group**
	£'000	**£'000**
Balance at 1 April 2024	**145**	**371**
New leases recognised in the year	-	5
Interest expense	12	22
Lease amounts invoiced and paid in the year	(67)	(178)
Balance at 31 March 2025	**90**	**220**
New leases recognised in year	-	-
Interest expense	6	12
Lease amounts invoiced and paid in the year	(62)	(174)
Balance at 31 March 2026	**34**	**58**

Income Statement	Company 2026 £'000	Company 2025 £'000	Group 2026 £'000	Group 2025 £'000
Interest expense (note 9)	6	12	12	22
Expense relating to leases of low-value assets	-	-	9	12
Expense relating to short-term leases	-	-	127	80
	6	**12**	**148**	**114**

As at the 31 March 2026, 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:

	Company 2026 £'000	Company 2025 £'000	Group 2026 £'000	Group 2025 £'000
Within one year	34	56	58	162
In one to two years	-	34	-	58
In two to three years	-	-	-	-
	34	**90**	**58**	**220**

The total cash outflow in the year paid in respect of leases was £174,000 (2025: £178,000). 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. The sub-lease is classified as a finance sub-lease.

During the year, the Group recognised interest income on lease receivables of £6k (2025: 11k)

The total cash inflow in the year in respect of the sub lease was £56,000 (2025: £61,000).

The Group's finance lease arrangements do not include variable payments.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Amounts receivable under finance leases:	2026 £'000	2025 £'000
Less than one year	31	55
In one to two years	-	33
In two to three years	-	-
Total undiscounted lease receivable	**31**	**88**
Unearned finance income	(1)	(7)
Net investment in the lease	**30**	**81**

Undiscounted lease payments analysed as:		
Recoverable after 12 months	-	33
Recoverable within 12 months	31	55
	31	**88**
Net investment in the lease analysed as:		
Recoverable after 12 months	-	31
Recoverable within 12 months	30	50
	30	**81**

24. Share-based payments

In the year ended 31 March 2026, the Group operated one equity-settled share-based payment plan as described below.

The Group recognised total expenses of £167,813 (2025: £103,959) in respect of equity-settled share-based payment transactions in the year ended 31 March 2026.

The charge to the income statement is set out below:

Share plans:	**31/03/2026**	**31/03/2025**
Growth share plan	-	-
PSP Awards	167,813	103,959
Total SBP expense	**167,813**	**103,959**

Share-based payments movement for the year ended 31 March 2026:

	SBP Expense (£)	**SBP Reserve (£)**	**Retained Earnings (£)**
PSP Awards	167,813	(167,813)	-
Transfer from Share Based Payment Reserve	-	148,976	(148.976)
Total movement	**167,813**	**(18,837)**	**(148,976)**

Share-based payments movement for the year ended 31 March 2025:

	SBP Expense (£)	**SBP Reserve (£)**	**Retained Earnings (£)**
PSP Awards	103,959	(103,959)	-
Transfer from Share Based Payment Reserve	-	26,667	(26,667)
Total movement	**103,959**	**(77,292)**	**(26,667)**

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, fee earner targets and individual performance criteria.

Awards outstanding at 31 March 2026 are shown below:

	2026 No. of share options	2025 No. of share options
Outstanding at beginning of year	1,022,429	340,656
Granted during the year	738,596	735,106
Forfeited during the year	-	-
Lapsed during the year	(174,696)	(53,333)
Vested during the year	(46,933)	-
Outstanding at the end of the year	**1,539,387**	**1,022,429**
Exercisable at the end of the year	**-**	**-**

The exercise price for all outstanding PSP awards is £0.0025 and the weighted remaining contractual periods is 1.7 Years (2025: 1.8 Years).

As at 31 March 2026 512,185 (2025: 512,185) shares were held in The DSW Capital Employee Benefit Trust. These were issued in FY22 and FY23 in accordance with the PSP Rules set out on admission to AIM. No further shares have been issued to the EBT in the current or prior year. The shares held by the EBT have no voting rights and do not receive dividends.

25. 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 £29,687 (2025: £18,465) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 March 2026 there was £10,169 (2025: £3,347) which had not been paid over to the plans and is included within creditors due in less than 1 year.

26. 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 2026 £'000	Company 2025 £'000	Group 2026 £'000	Group 2025 £'000
Cash and cash equivalents	1,477	2,356	2,029	2,683
Trade and other receivables	1,822	2,870	2,559	2,875
	3,299	**5,226**	**4,588**	**5,558**

Financial liabilities

	Held at amortised cost			
	Company 2026 £'000	Company 2025 £'000	Group 2026 £'000	Group 2025 £'000
Trade and other payables	1,341	1,309	1,258	1,123
Bank loan	1,846	2,771	1,846	2,771
Lease Liabilities	34	90	58	220
	3,221	**4,170**	**3,162**	**4,114**

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.

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 loans to licensees and trade receivables.

The carrying amount of the financial assets represents the maximum exposure to credit risk.

(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 £3.0m RCF for an initial 3-year term until 31 October 2027. A repayment of £1.0m was made in June 2025. 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.

(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 22.

27. Events after the reporting period

In June 2026, DSW Capital supported the acquisition of Integer Advisory Limited in one of our licensee businesses, investing £360,000 to acquire 20% of the enlarged business.

It is expected that DSW Integer LLP, the enlarged business, will be accounted for as an associate as the Group will have significant influence over the business.

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.

28. Related party transactions

Balances and transactions between the Company and its subsidiary, 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.

	2026 Revenue and Cost Recharges £'000	2025 Revenue and Cost Recharges £'000
PHD Industrial Holdings	108	186
DSW Investments 2 LLP	(112)	(110)
Other investments	693	758
Totals	**689**	**834**

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:

	2026 Amounts due from/ (to) related parties £'000	2025 Amounts due from/(to) related parties £'000
DSW Investments 2 LLP	(34)	(34)
Other investments	222	341
Totals	**188**	**307**

Salary and fees payable to James Dow and Jon Schofield are as disclosed in the Remuneration and Nominations Committee Report. Salary totalling £46,050 (2025: £65,267) 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.

	2026 £'000	2025 £'000
Short term employee benefits	460	633
Post-employment benefits	16	2
	476	**635**