COMPANY REGISTRATION NUMBER: **14515822**

SHIN TOPCO LIMITED

ANNUAL REPORT

AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MAY 2025

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COMPANY INFORMATION

Board of Directors
Paul Daccus
Alex Wyndham

Independent Auditors
BDO LLP, Eden Building, Irwell St, Manchester,
Salford M3 5EN

Registered Office
2 Park Street, 1st Floor, London, United Kingdom,
W1K 2HX

Company Number
14515822

STRATEGIC REPORT (continued)

The Directors present their Strategic report for Shin Topco Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 31 May 2025 (“FY25”).

This report has been prepared by the Directors in accordance with the requirements of Section 414 of the Companies Act 2006.

The Strategic report provides a review of the business for the financial period and describes how the directors manage risks and opportunities.

Business ownership

The Group is owned by a private equity investment fund advised by an affiliate of Sun Capital Partners, Inc with no individual or institutional investor holding, directly or indirectly, more than 25%.

Principal activities

The principal activity of the Company is as a holding company which indirectly holds the equity capital of a number of subsidiary companies who collectively operate under the “K3 Capital Group” umbrella.

K3 Capital Group is a multi-disciplinary, complementary collection of professional services businesses supporting UK SMEs, with additional operations overseas. Headquartered in Bolton, Greater Manchester, the Group employs roughly 900 people across its UK and international offices. Its services span four core areas: Business Sales, Restructuring, Tax, and Technology solutions. Following the year-end, the Group further expanded its offering through the acquisition of a fifth division: Wealth Management

Group Strategy

The Group’s strategy is to grow through both acquisition and organic growth, continuing to build a diversified professional services group which can deliver success across the economic cycle. We aim to provide high-quality advice across specialist disciplines to the small and medium-sized enterprise (“SME”) market. Our strategy is to bring together businesses which can benefit from the Group’s unique distribution platforms, incorporating direct marketing, cross-selling opportunities and an ever-expanding professional introducers’ network through our K3 Hub platform.

Our growth strategy remains broadly similar to last year, including:

- Investigating further complementary, SME focussed acquisition targets that could fall within our existing service lines or form a further division. During the year the Group made 3 acquisitions:
    1. HMA Tax (International) Limited (“HMA”) who provide capital allowance services which compliments the current offerings in the tax division. See the review of the business section for further detail
    2. Pinnacle Computing (Support) Limited (“Pinnacle”) who are a leading UK-based technology solutions provider and Sage Business Partner, delivering cloud accounting, ERP, CRM, and managed IT services to SMEs across the UK and Ireland. This acquisition created the 4th division of the group – Technology Solutions
    3. Alphalogix Ltd (“Alphalogix”) who are one of the UK’s largest Accredited Sage Business Partners, specialising in Sage ERP, CRM, and bespoke add-ons for SMEs and corporate clients
- Continuing to execute a data and marketing driven approach to new client acquisition enabled by our proprietary Globe technology and leading SME dataset;
- Lateral hires and new office openings to grow our domestic and international footprint;
- Driving further cross selling opportunities with education, training and incentivisation across the Group companies.

In addition to the Group's core strategies, there continues to be a focus to increase the expertise in the central support team.

STRATEGIC REPORT (continued)

Review of the business

For the year ending 31 May 2025, the Group delivered reported revenue of £113.6m (2024: 89.8m) and loss before tax of £14.7m (2024: £12.2m). The loss was primarily driven by amortisation on acquired intangible assets of £5.8m (2024: £7.3m), finance costs of £17.1m (2024: £15.9m). Without these "non-operating" expenses, the Group would have made a profit before tax of £8.2m (2024: £13m - excluding impairment).

The Group's EBITDA for the year was £10.2m (2024: £15m). FY25 has been a year of investment, in people, efficiencies and our central services, this can be seen in our average headcount which has increased from 669 to 904 (organic growth and acquisitions). As a professional services group there can be a time delay in new staff impacting revenue, which means in a year of high increase in headcount we have had the full cost impact of the new heads but not all of the revenue (and therefore profit and EBITDA).

The Summary financials are presented below:

Summary Financial Results	**2025 £'000**	**2024 £'000**
Revenue	113,584	89,757
EBITDA	10,178	15,027
(Loss) before tax	(14,741)	(12,249)

EBITDA

EBITDA is defined as profit or loss for the period before interest, tax, depreciation and amortisation. It is a non-GAAP measure and is the Group's measure of underlying profitability, which is used by the Board and senior management to measure and monitor the Group's performance.

The following table presents a reconciliation of loss for the year to EBITDA:

	2025 £'000	**2024 £'000**
(Loss) before tax	(14,741)	(12,249)
Amortisation & Depreciation	7,941	9,336
Finance Cost	17,093	15,940
Impairment of Goodwill	-	2,000
Profit from joint venture	(116)	-
EBITDA	**10,178**	**15,027**

Goodwill is reviewed for impairment annually and in the prior period, from management's assessment, the recoverable amount of the Tax CGU was estimated as less than the carrying amount, therefore an impairment loss of £2m was recognised in the profit and loss for the year ended 31 May 2024. No impairment has been recognised for FY25 following our impairment review.

The group is split into four divisions (Business Sales, Restructuring, Tax and Technology Solutions), from a revenue perspective Restructuring is the largest division of the group contributing 44% (prior period 59%) of revenue.

People costs account for the largest element within administrative expenses/cost of sales and amounted to £67.2m representing 60% of turnover (2024: £51.3m representing 57% of turnover). The increase is driven by new senior hires which have joined the group and increased payroll cost in advance of revenue generation and it is expected that this ratio will reduce in FY26.

Consolidated Cash Flow Statement

Cash generated from operations (pre deemed remuneration and tax payments) was £7.0m compared to £9.4m for the previous period. This has been driven by investment into growth and as at 31 May 2025, the Group's cash balance was £8.6m (2024: £6.9m) and net debt (excluding lease liabilities) was at £113.2m (2024: £109.6m).

STRATEGIC REPORT (continued)

External Borrowings

As at the year end we have external debt of £125m which can be broken down as:

	2025 £'000	2024 £'000
External Loan 1	95,000	95,000
External Loan 2	15,000	15,000
Revolving Facility	15,000	10,500
	125,000	**120,500**

See also further information in note 20 which includes the detail of the capitalised debt cost.

The Group is funded through a combination of debt and equity. At the year end the external debt was at £125m as noted above and the balance sheet of the Shin Topco showed equity of £222.6m (PY: £170.6m).

Financial Risks

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. Note that given the relatively small overseas operations when compared to the size of the group, foreign exchange is not considered to be a key financial risk, albeit these are monitored closely where we hold bank balances and transact in currencies other than GBP.

Credit Risk

The Group's principal assets, excluding goodwill, other intangibles and right-of-use assets are bank balances, trade debtors and work in progress ("WIP"). The Group's credit risk is primarily attributable to its trade debtors and work in progress, which totalled (net of provisions) to £48.3m at 31 May 2025 (2024: £32.3m). This risk is managed through credit control procedures including the use of a dedicated central credit collection team supporting team members. The Group has no significant concentration of credit risk, with its exposure spread across a large number of clients.

Interest rate risk

The group has borrowings with variable interest rate charges linked to SONIA. To mitigate this, the group has a hedging agreement to fix the interest rate on £31.6m of the senior borrowings. In addition, Group's management review the interest rate movement in the market and incorporate those movements into our liquidity requirements which are monitored frequently.

Liquidity risk

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and developments, the Group manages liquidity risks by regular reviews of forecast cash flows in line with contractual maturities of financial liabilities and the credit facilities available. These are shared with senior management on a weekly basis in the format of weekly cashflow forecasts.

Development and performance during the year

Business Sales:

The Business Sales division has enjoyed a strong year, with a high volume of deals completed that reinforce our position as the UK's leading M&A advisor. K3 Advantage and K3 Law, launched in the previous financial year, have both established solid foundations and are well positioned for further growth in FY26. Their early success has validated our strategy of broadening the Group's service offering, with both businesses generating synergies and cross-selling opportunities that enhance value creation across the Group.

Restructuring Division:

This year, the Restructuring division has expanded its UK offering with the establishment of KR8 Advisory Limited. This new business brings a strong professional network and a wealth of experience in the market, further strengthening our capabilities in the restructuring space. Having commenced trading at the end of FY25, KR8 Advisory is expected to deliver its first full-year profit in FY26, marking a significant milestone in the division's growth strategy.

STRATEGIC REPORT (continued)

Development and performance during the year (continued)

Tax Division:
The Tax division has had a strong year in its R&D business, following the challenges faced in FY24 due to changes in the UK R&D scheme. Our proactive response—refining processes to align with the new guidelines and enhancing internal procedures—has positioned the division for sustainable success. The acquisition of HMA has further diversified the business, adding technology-enabled operations that complement our existing strengths. This acquisition provides a platform for innovation and efficiency, ensuring the division remains highly competitive while delivering value to clients.

Technology Solutions:
The acquisition of Pinnacle has added the 4th division to our group. Pinnacle are a leading UK-based technology solutions provider and Sage Business Partner, delivering cloud accounting, ERP, CRM, and managed IT services to SMEs across the UK and Ireland and we see Pinnacle as the platform for the groups technology offering. Since acquisition Pinnacle has performed well and we also acquired Alphalogix as a bolt on acquisition into this division during the year.

Principal risks and uncertainties

The Board is responsible for approving the Group's strategy in line with the Group's risk appetite.

The principal risks are outlined below:

Risk	Description and impact	Mitigation and control
Acquisitions	It is the Board's stated strategy to grow both organically and also through acquisition. There is a risk that these acquisitions, joint ventures, or start up companies are unsuccessful which could have a significant impact on senior management time, Group cash reserves, and also Group financial performance.	All acquisitions go through an extensive due diligence process including financial, legal, tax and management due diligence. In addition, the structure of our acquisitions is such that a portion of the consideration is made as earn out, protecting the group should performance decline post-acquisition. Finally, post-acquisition, there is a strategy to align all acquired companies onto Group finance software with centralised reporting, standardised weekly KPI monitoring and regular board meetings.
Our People	As a growing multidisciplined professional services Group, our people are fundamental to our success. The service delivered to our clients is the key to the Group's success, which can only be maintained with highly skilled, trained, and motivated employees. If the Group were to fail in recruiting or retaining the right employees, it could have a material negative impact on reputation and performance.	Throughout the Group we believe there are highly competitive reward structures using a combination of salary, bonus, and other incentives where appropriate to encourage the best results from our employees. A Management Incentive Plan (MIP) has been established which contains c150 employees who will share in the benefit of long term, sustainable growth of the Group. Sharing these rewards we believe will help incentivise and retain our key people through the Group.
Compliance / Regulation	The Group now finds itself operating across many diverse markets offering a wide range of services, some of which are regulated. There is a requirement for a robust framework of monitoring known compliance obligations whilst also keeping informed in a world of ever-changing regulations.	There have been longstanding relationships with professional advisors who assist the Group in ensuring it complies with all relevant regulatory requirements. There are regular reviews of these areas performed with our professional advisors to ensure our processes are updated where required. We also have a dedicated central compliance function across the group who are able to offer support and assistance to all entities in the Group.

STRATEGIC REPORT (continued)

Risk	Description and impact	Mitigation and control
Economic and Political	Macro-economic conditions such as government regulation, political instability or recession could cause volatility in the UK economy. The wider ongoing economic impacts of the raise in national insurance costs and the conflict in Ukraine may also be felt throughout the UK economy.	The Group has well diversified revenue streams to counteract the risk associated with economic and political uncertainty. As an example the Business Sales division has always, and continues, to source clients and buyers from all sectors and industries, across all geographic regions of the UK, which is expected to sufficiently spread the risk of downturn in individual markets or areas.
IT Failure	Significant IT failures could have an impact on our work which is heavily reliant on IT systems working as they should.	The Group's IT support has been being brought in-house and this has helped to increase visibility and mitigate issues arising. We also have appropriate service level agreements for third party suppliers where appropriate.
Significant Data breach	The risk of data breaches due to negligence or cyber criminals.	The Group maintains an ongoing focus on training around policies regarding data breaches alongside IT resources being regularly stress tested and a clear escalation process for any possible issues.

Financial and Non Financial Key performance indicators

The KPls set out in the table below are fundamental to the business and reflect the focus on the drivers that enable the management team to achieve the Group's business plans, strategic aims and objectives:

	2025	**2024**
Revenue (£'000)	113,584	89,757
EBITDA (£'000)	10,217	15,027
EBITDA Margin	9%	17%
Net Debt – excluding lease liabilities (£'000)	113,161	109,635
Average number of employees	904	669
Salary cost as a % of revenue	60%	57%

Note that EBITDA Margin is calculated by dividing EBITDA by revenue in the period. Reduction is driving by setup costs in the year and a significant increase in the P&L charge relating to C shares (see note 28).

Business Model

The Group aims to be the advisor of choice for the UK SME market, providing a variety of services in Business Sales, Tax, Restructuring and Technology Solutions.

Business Sales

The Business Sales division's unique data driven marketing platform has been carefully designed to drive growth rather than relying on positive macro trends, which has resulted in increasing volumes of sell-side clients, new buyer registrations and, ultimately, overall transaction numbers. This has created a division that is region, sector and buyer type agnostic, with performance very much underpinned by the volume brands (Knightsbridge and KBS Corporate), ensuring that larger corporate finance transactions are still seen as upside opportunities. This has ensured that the business continues to be driven by its contingent fee pipeline, which provides increasing visibility of the future revenues.

Tax

The majority of our tax division is focused on R&D claims which continues to benefit from a high degree of contracted and recurring revenue. A big focus has been on continuing to grow the R&D offering while also diversifying the tax division. K3 Tax Advisory (a startup in 2021) now offers a breadth of revenue streams and we are looking to further enhance those. Furthermore, the in the year acquisition of HMA capital allowance has added to the divisions revenues streams and diversified the Tax division.

STRATEGIC REPORT (continued)

Restructuring
The restructuring division is mainly a people business with us selling chargeable time of our staff. We continue to invest in the restructuring division by focusing on:

- Continued investment in senior lateral hires;
- Focusing on improving the efficiencies of our work and offering by using technology;
- Investing in our people, ensuring a pipeline of future senior leaders.

Technology Solutions
The new division is focused on being a leading advisor to the UK and Ireland SME market for software and technology services. We also see Pinnacle as the platform for a buy and build strategy as can be seen from the Alphalogix acquisition during the year.

Future developments and Outlook

The Directors consider that the Group's principal activities will be unchanged for the foreseeable future. The Group is owned by affiliates of Sun Capital Partners, Inc. ("Sun Capital") a global private equity firm and it is expected that there will be significant focus on organic growth, inorganic growth and enhancing operational efficiencies.

FY25 has been another year of investment in our people and the Board is confident that the outlook for FY26 and beyond is positive as we continue to deliver on our strategy of organic revenue growth, the successful integration and growth acceleration of complementary acquisitions, and the development of new service lines providing further cross-selling opportunities within the Group.

K3 Law Limited ("K3 Law") and K3 Advantage Limited ("K3 Advantage") who were both launched during Q4 of FY24 with K3 Law providing legal expertise and K3 Advantage offering transaction services and data and strategy advice have had a initial year of bedding into the group and are now set to fully kick on in FY26 and beyond. These both add additional service lines to the Group and we believe there will be significant opportunities to cross sell these services into our various business divisions.

Throughout the period, the Board have considered a number of opportunities with strict criteria around the accretive effect, the strategic fit, the cultural fit, the quality of the people and management and ultimately the commercial aspects of any transaction. Our refined strategy surrounding how the Group approaches a transaction, and how any proposed deal is structured to incentivise the key stakeholders and employees of the acquired business to become part of the Group will be an important factor in our continued success with this strategy. Three acquisitions were made in the year with HMA, Pinnacle and Alphalogix joining the group on 12 June 2024, 30 October 2024 and 5 April 2025.

We continue to consider acquisitions within alternative SME-focused service lines which are complementary to the Group's existing offerings and could either benefit from K3's existing distribution platforms or bring further strategic advantage to the wider Group. As noted in the directors' report, since year the Group has acquired 2 further business, establishing it's 5 division – Wealth Management.

Trends and factors affecting future development and performance

The professional services sector, particularly in M&A, Restructuring, and Tax advisory (specifically R&D tax claims), is facing a number of external factors that may significantly impact future performance. One notable area is the recent changes in tax legislation, including revisions to Capital Gains Tax, which could influence the volume and structure of M&A transactions going forward, albeit the raise was ultimately lower than initially suggested and we haven't seen a significant decline in volumes since this was introduced in November 2024. A rise in tax rates or the tightening of tax reliefs could also alter the market's appetite for deals, potentially slowing down activity in the short term as businesses reassess the financial implications of acquisitions and mergers.

Macroeconomic conditions, particularly the recent rise in employer national insurance and inflationary pressures, also pose challenges to the professional services industry. While inflation has been stabilising, rising costs have impacted both our operational expenses and clients' budgets, potentially affecting demand for our services. However, as inflation trends remain under control, this could lead to greater stability and predictability in business spending, allowing us to plan more effectively.

At the same time, the demand for restructuring and insolvency services remains steady, driven by businesses facing financial distress

STRATEGIC REPORT (continued)

in the wake of economic uncertainty, tightening credit conditions and the national insurance raise noted above. With insolvencies expected to rise in certain sectors, this presents growth opportunities for our restructuring division as companies seek expert advice in navigating complex financial situations.

Environmental matters

Shin Topco offers a comprehensive range of professional services, underpinned by a team that actively champions our ESG (Environmental, Social, and Governance) strategy. As a technology-driven, office-based organisation, our operations naturally have a lower environmental impact than more resource-intensive industries. Nevertheless, we remain firmly committed to continuously assessing and improving our environmental performance.

Shin Topco maintains our reduction initiatives:

- Supporting remote and hybrid work arrangements
- Promoting virtual meetings to reduce travel
- Investing in digital infrastructure that enables flexible and low-impact working

We also prioritise sustainability in our office refurbishments by reusing equipment where possible and installing energy-efficient lighting.

In FY25, our Eco Team further strengthened partnerships with third-party organisations to help measure and manage our carbon footprint. Recognising that travel remains the largest contributor to our greenhouse gas emissions, we launched an Electric Vehicle (EV) scheme to support more sustainable commuting. We also expanded our fleet to include more hybrid vehicles. These efforts help reduce the environmental impact of business travel and support employees in lowering their personal mileage emissions.

The Group is currently focused on two key environmental objectives:

- Reducing our carbon footprint and offsetting emissions.
- Developing responsible partnerships to build and manage a sustainable supply chain

Looking ahead, we are committed to deepening our environmental impact reduction efforts. This includes:

- Ongoing evaluation of our supply chain to favor environmentally responsible vendors
- Promote the Cycle to work scheme
- Investment in advanced data systems to enhance carbon footprint tracking and reporting

Shin Topco believe that embedding sustainability at the heart of our operations not only reduces our environmental footprint but also supports global efforts to address climate change. By striving for continuous improvement, we aim to lead by example in the professional services industry.

Social, community and human rights issues

Our ESG Strategy embeds our ethos in terms of community action including our business wide support for foodbanks, charity support as part of our Inclusion and Diversity strategy, local community support in terms of supporting school leavers and providing job opportunities for those in our communities from lower social economic groups and diverse backgrounds, wellbeing programs to ensure we strengthen financial, mental and physical wellbeing.

Our Global Code of Conduct provides an outline of the expectations of our employees and our commitment to zero tolerance for any human rights or harassment breaches.

Our Inclusion and Diversity Policy, ESG Strategy, Global Code of Conduct, Grievance, Harassment, Modern Slavery policies support the above.

STRATEGIC REPORT (continued)

Streamlined energy and carbon reporting ("SECR")

The report covers the energy use and greenhouse gas (GHG) emissions from purchased electricity, consumption of transport fuels by company-owned vehicles and personally owned vehicles, the combustion of fuel for hot water and space heating.

GHG Emissions	Unit	2025	2024
Scope 1	Tonnes of CO2e	90.09	29.01
Scope 2	Tonnes of CO2e	111.22	60.24
Scope 3	Tonnes of CO2e	523.84	366.13
Total Group Emissions	**Tonnes of CO2e**	**725.15**	**455.38**
Intensity Measure			
Emissions by full – time equivalent member of staff	Tonnes of CO2e/ FTE	**0.80**	**0.64**

Scope 1
Basis of preparation Leased vehicles (Scope 1) The emissions from travel caused by company owed/leased vehicle has been calculated as follows- To calculate the tCO2e figure, total miles has been multiplied by the UK Government's Conversion Factor 2024 for Executive Diesel vehicles.

Scope 2
The purchased electricity consumed by the Group relates solely to the use electricity for the use of heating, cooling, lighting, and office equipment. To calculate the tCO2e figure we have taken the total kWh usage per office where available, used a conversion factor from GBP spent and used current run rate for the few reading that were unavailable.

Scope 3
The GHG emissions related to fuel combustion derive from the payment to employees of mileage expense where they use their private vehicles for Group business. We do not keep records of our employees' vehicle makes, models and fuel type. To arrive at a reasonable estimate of distribution across petrol, diesel, and other vehicles, we used the average car unknown fuel conversion.
Emissions which result from train travel, flights, hotel stays are included in this report. When we just have the total number or monetary value for these we have used the average tCO2e per GBP or journey from our expense system to have a reasonable estimate.

Flights – average kgco2e for flights has been used for any missing flight data.
Rail– average kgco2e for rail has been used for any missing data.
Hotel stays - average kgco2e for hotel stays has been used for any missing data.

At Shin Topco we want to expand our understanding of our carbon footprint to transfer & distribution of electricity. Where data hasn't been available, the water usage has been based off our Birmingham office and extrapolated for number of employees.

The carbon dioxide equivalent (CO2 e) emissions data has been calculated using the emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2024.

STRATEGIC REPORT (continued)

Section 172 (1) Statement and Statement of Engagement with Other Stakeholders

In accordance with the Companies Act 2006 (the 'Act') (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), for the year ended 31 May 2025, the Directors provide the following statement describing how they have had regard to the matters set out in section 172 (1) of the Act, when performing their duty under section 172. In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the following statement also provides details of how the Directors have engaged with and had regard to the interest of customers and suppliers.

The Directors acknowledge that one of the primary responsibilities of the Board is to ensure the strategy of the Group achieves long-term success and generates sustainable returns, central to which is ensuring engagement with stakeholders, and considering in all instances the long-term implications of decisions made, acting at all times to maintain the highest possible standards of conduct. During the period, this approach has been central to the activities of the Directors:

Stakeholder	Why we engage	How engagement occurs
Shareholders – Sun Capital	Shareholders own the business, and the board are responsible for successfully developing the business to deliver an acceptable return on the investment made by shareholders.	Engagement with Sun Capital is conducted through frequent financial and KPI reporting (weekly, monthly, and quarterly) and each report is followed on with a meeting to review the content and discuss business performance with market updates.
Employees	As a professional service group, trade is based on delivering services through its employees. Therefore, the Board considers attracting and retaining talented and qualified people as a key part of its growth strategy.	Regular internal communications cover key information which are important to employees, these are in the form of emails, team meetings and update calls led by the Executive team. We remain committed to our reward package delivering fair outcomes, based on performance and not influenced by personal characteristics like gender or ethnicity. Our recruitment policy and approach is completely inclusive and we encourage applications from all minority groups. Training is accessible to everyone, and we promote, develop, and support all colleagues on merit, irrespective of any disability as all reasonable adjustments would be applied on an individual basis.
Clients	The Directors recognise that the success of the business relies on its ability to secure new clients and maintain long term client relationships. The way in which the business engages with clients will determine how successful it is at retaining and growing its services with clients.	A key role of all senior client facing staff is to ensure that they nurture and develop client relationships. This is done through regular communication before, during and after delivering client assignments. Relationships with our clients are fundamental to our success, as it allows us to successfully conduct our services. We have continuous communications with clients and processes to monitor feedback, and reviews are in place and are acted upon when required.
Suppliers	Suppliers allow the Group to undertake new client mandates, and to deliver our services.	We have long term relationships in place with many of our key suppliers and these are maintained through regular communication and review meetings with senior employees.
Community and charities	The business forms part of the wider community and as such has a responsibility to use its resources to support local communities and charities.	The Group cares about its community and regularly undertakes fundraising events that generate high levels of employee engagement.

STRATEGIC REPORT (continued)

Section 172 (1) Statement and Statement of Engagement with Other Stakeholders (continued)

Stakeholder	Why we engage	How engagement occurs
Environment	The business has a responsibility to ensure that it proactively looks at ways in which it can minimise its carbon footprint whilst ensuring that it delivers the services required by the client.	The Group is aware of its environmental responsibilities and where possible, promotes a paperless office. Systems introduced in recent years have eliminated the need for all documents to be printed and held in paper files. Confidential waste is shredded and recycled. The Group has also established an "ESG" working group who are focused on improving data gathering of our environmental impact across the group and improving our carbon footprint.

Key management decisions made during the year

As noted - the board approved three acquisitions during the year:

- HMA and on 12 June 2024
- Pinnacle on 29 October 2024
- Alphalogix on 5 April 2025

Gender diversity

A summary of the gender diversity throughout the Group is as follows:

	As at 31 May 2025		As at 31 May 2024	
	Male	**Female**	**Male**	**Female**
Directors (Statutory Directors)	100%	-	50%	50%
Senior Management	56%	44%	57%	43%
Other Employees	63%	37%	61%	39%

Senior managers include business leaders from each of the group's subsidiaries and also department heads for key central functions. The calculations above have been done on a FTE basis.

This Strategic Report was approved by the board on 27/11/2025 and signed on its behalf by:

Paul Daccus

Paul Daccus

Director

DIRECTORS REPORT

The Directors present the audited consolidated financial statements of the Group. The Group is a limited company, domiciled, incorporated and registered in England and Wales. It is a private company limited by shares as per Section 396 of the Companies Act 2006.

Directors

The Directors in office during the period under review are:

Harsh Mehta (resigned 16 July 2024)
Helene Egebøl (resigned 16 July 2024)
Paul Daccus (appointed 16 July 2024)
Alex Wyndham (appointed 16 July 2024)

The current board directors are Paul Daccus and Alex Wyndham who both work for the private equity investors.

Objectives and policies

The Board constantly monitors the Group's trading results and projections as appropriate to ensure that the Group can meet its future obligations as they fall due.

Dividends

During the period the Group declared external dividends of £232k (2024: £71k).

Political Donations

The Group made no political donations in the period.

Financial risk management objectives and policies

Credit risk

The Group is exposed to the usual credit and cash flow risks associated with selling on credit terms and manages this through credit control procedures.

Cash flow risk

To ensure that sufficient funds are available for ongoing operations and developments, the Group monitors its cashflows closely with weekly cashflow forecasting across the entire group. The Group has sufficient funds through existing cash balances, free cash flow and its revolving facility to service the annual cost of its financing and to meet its other business needs.

Interest rate risk

The Group's bank loans are at variable rates linked to SONIA; the Board continues to monitor the Group's position with regard to interest rate risk and to implement strategies to manage this as is considered appropriate. In June 2023 the group entered into a hedging arrangement which fixes the interest rate of £31.6m of the external debt at 4%.

Going Concern

The Group meets its day-to-day working capital requirements through operating cash flows and a revolving credit facility ("RCF").

The K3 Group has generated positive EBITDA throughout its trading history. Prior to the acquisition by Shin Topco Limited, K3 Capital Group has shown resilience and robustness over time, including during the recent global pandemic, cost of living crisis and ensuing time of economic uncertainty.

DIRECTORS REPORT (continued)

Going Concern (continued)

The period ends with £8.6m of cash reserves and the Directors confirm they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements.

This confirmation is made after having reviewed assumptions about future trading performance (including several downside scenarios), capital expenditure, asset purchases and debt requirements contained within the Group's current forecasts. The group is expected to remain cash positive and in compliance with all banking covenants for at least the next 12 months and the Directors have also considered potential risks and uncertainties in the business, such as credit, market and liquidity risks, including the availability of bank facilities. Further stress testing has been carried out to ensure the Group has sufficient cash resources to continue in operation for at least the next 12 months.

This stress testing included extreme downside scenarios with materially reduced levels of cash receipts over the period. These downside scenarios excluded any mitigating actions that the Board would be able to take to reduce costs. Other than employee costs, the Group generally has a low fixed cost base with the ability to significantly reduce marketing spend, general overheads, and other payroll costs (due to performance linked pay). Under these scenarios, the Group would still expect to remain cash positive and in compliance with all banking covenants for at least the next 12 months from the date of this report. Furthermore the Directors have not identified any material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis.

Based on the above and after consideration of market conditions, including interest rate and inflation forecasts, the Group's financial position (including the level of headroom available within the bank facilities), financial forecasts and its profile of cash generation and principal risks, the Directors have a reasonable expectation that both the Company and the Group will be able to continue in operation and meet its liabilities as they fall due over the period, being at least 12 months from the date of approval of the financial statements.

Employment of disabled persons

The Group's policy is to consider the recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance will initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The Group encourages the involvement of employees in its management through regular departmental meetings. For further information regarding Employee Matters, see the Strategic Report.

Information disclosed in the Strategic Report

The following information required to be reported on in the Directors Report has been reported on in the Strategic Report to the extent, in the opinion of the directors, that no further disclosure is considered necessary:

- Further information in respect of employees involvement;
- Further information on how the directors have had a regard to the need to foster business relationships with suppliers, customers and others;
- Further information in respect of the review of the business;
- Further information in respect of the growth strategy; and
- Future developments

DIRECTORS REPORT (continued)

Important non adjusting events after the financial period

Subsequent to the balance sheet date, on 15 August 2025, the Group completed acquisitions of:

- 100% of the voting rights of Pareto Financial Planning Limited (UK), a market wealth management business and;
- 52% of Luna Investment Management (UK) Limited a leading investment management specialist who provide tailored investment solutions

As part of this acquisition further shares were issued in Shin Topco Limited.

The acquisition accounting for the business combination is not yet complete, and the full acquisition accounting (along with the accounting consideration) will be disclosed in the FY26 financial statements.

In addition, on 21 November 2025, the Group acquired the trade and assets of Onesys Limited. Because of the proximity to the date of signing these financial statements, no estimate of the financial impact can yet be made.

As part of these acquisitions, additional funding totalling a combined £35.4m was received.

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, The Directors Report and the Consolidated 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 have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK and in conformity with the requirements of the Companies Act 2006 and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

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 international accounting standards as adopted by the UK in conformity with the Companies Act 2006 subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

DIRECTORS REPORT (continued)

Provision of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- The Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Group's auditors in connection with preparing their report and to establish that the Group's auditor is aware of that information.

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

Auditor

BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the members on 27/11/2025 and signed on its behalf by:

Paul Daccus

Paul Daccus

Director

Independent Auditor's Report to the Members of Shin Topco Limited

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 May 2025 and of the Group's loss 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 United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Shin Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 May 2025 which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework.

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 are 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, 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.

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 or 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.

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

Independent Auditor's Report to the Members of Shin Topco Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, 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

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 the 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.

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

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

Independent Auditor's Report to the Members of Shin Topco Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management, those charged with governance and legal counsel; and
- Obtaining and 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, UK Companies Act 2006 and UK tax 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 those relating to the payment of employees, data protection, Insolvency Act 1986 and Insolvency Rules 2016, The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, and health and safety legislation.

Our procedures in respect of the above included:

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

Independent Auditor's Report to the Members of Shin Topco Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the period, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing assumptions and judgements made by management in their significant accounting estimates, in particular in relation to revenue recognition and unbilled income;
- For revenue within the tax stream and technology solutions stream, we challenged recognition of revenue across the year end and vouched to relevant support to ensure it was correctly recognised and amounts were accurately recorded;
- For restructuring revenue, we:
  - Challenged the fee earners on future forecasted billings and reviewed associated evidence such as creditors' resolutions;
  - Tested the mechanical accuracy of the calculations and challenged the judgements and estimates made in costs to complete and future billings; and
  - Reviewed the accuracy historical accuracy of estimates and judgements made by management with reference to actual recovery rates, income and bills.

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.

Independent Auditor's Report to the Members of Shin Topco Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

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:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Signed by:

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Paula Holland (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester , UK
27 November 2025

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year Ended May 2025 £'000	Year Ended May 2024 £'000
Revenue	**5**	113,584	89,757
Cost of sales		(56,260)	(40,360)
Gross Profit		**57,324**	**49,397**
Administrative expenses		(55,087)	(45,706)
Operating Profit	**6**	**2,237**	**3,691**
Share of results of joint venture		116	-
Finance costs	**10**	(17,093)	(15,940)
Loss before tax		**(14,740)**	**(12,249)**
Taxation	**11**	676	1,454
Loss for the financial year		**(14,064)**	**(10,795)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		81	24
Other comprehensive income for the year		81	24
Total comprehensive expense for the year		**(13,983)**	**(10,771)**
Attributable to:			
Owners of the Company		(14,264)	(10,698)
Non-controlling interests		281	(73)
		(13,983)	**(10,771)**

The notes set out on pages 28 to 62 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2025

	Note	31 May 2025 £'000	31 May 2024 £'000
Non-Current assets			
Intangible assets	**12**	325,403	258,582
Tangible assets	**13**	1,164	1,177
Right-of-use assets	**14**	3,782	3,903
Investments		116	-
Total non-current assets		**330,465**	**263,662**
Current assets			
Trade and other receivables	**17**	53,092	36,216
Cash and cash equivalents		8,595	6,916
Current tax asset	**11**	1,621	1,384
Total current assets		**63,308**	**44,516**
TOTAL ASSETS		**393,773**	**308,178**
Current liabilities			
Trade and other payables	**18**	36,996	21,420
Lease liabilities	**15**	1,342	976
Contingent consideration	**19**	4,201	689
Deferred tax liabilities	**21**	-	-
Total current liabilities		**42,539**	**23,085**
Non-Curent liabilities			
Lease liabilities	**15**	2,694	3,101
Contingent consideration	**19**	12,126	705
Borrowings	**20**	121,756	116,551
Deferred tax liabilities	**21**	13,358	7,999
Other payables	**18**	4,639	59
Total non-current liabilities		**154,573**	**128,415**
TOTAL LIABILITIES		**197,112**	**151,500**
NET ASSETS		**196,661**	**156,678**
Equity attributable to owners of the Company:			
Issued capital	**22**	2,181	1,832
Share premium	**22**	42,999	-
Foreign exchange reserve		80	(1)
Merger reserve	**22**	10,850	-
Retained earnings		140,322	154,899
Equity attributable to owners of the company		**196,432**	**156,730**
Non-controlling interests		229	(52)
TOTAL EQUITY		**196,661**	**156,678**

The notes set out on pages 28 to 62 are an integral part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 27/11/2025 and are signed on behalf of the board by:

Paul Daccus

Paul Daccus

Director

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2025

	Note	As at May 2025 £'000	As at May 2024 £'000
Non-Current assets			
Investments	**16**	230,177	170,566
Total non-current assets		**230,177**	**170,566**
Current assets			
Trade and other receivables	**17**	6,474	50
Total current assets		**6,474**	**50**
Current liabilities			
Trade and other payables	**18**	1,287	50
Contingent Consideration	**19**	1,712	-
Total current liabilities		**2,999**	**50**
Non-Current liabilities			
Contingent Consideration	**19**	11,054	**-**
Total non-current liabilities		**11,054**	**-**
TOTAL LIABILITIES		**14,053**	**50**
TOTAL ASSETS		**236,651**	**170,616**
TOTAL NET ASSETS		**222,598**	**170,566**
Equity attributable to owners of the Company:			
Issued capital	**22**	2,181	1,832
Share premium	**22**	42,999	-
Merger reserve	**22**	10,850	-
Retained earnings		166,568	168,734
Equity attributable to owners of the company		**222,598**	**170,566**

The notes set out on pages 28 to 62 are an integral part of these financial statements.

An income of statement is not provided for the parent company as permitted by s408 of the Companies Act 2006. The loss for the financial period of the parent company was £2.2m.

These financial statements were approved by the board of directors and authorised for issue on 27/11/2025 and are signed on behalf of the board by:

Paul Daccus

Paul Daccus

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2025

	Share capital £'000	Share Premium £'000	Merger Reserve £'000	Retained earnings £'000	Foreign exchange reserve £'000	Attributable to owners of the parent £'000	Non-controlling interest £'000	Total £'000
Balance at 31 May 2023	1,895	-	-	165,679	(25)	**167,549**	21	**167,570**
Loss for the period	-	-	-	(10,722)	-	**(10,722)**	(73)	**(10,795)**
Other comprehensive expense	-	-	-	-	24	**24**	-	**24**
Total comprehensive loss for year	**-**	**-**	**-**	**(10,722)**	**24**	**(10,698)**	**(73)**	**(10,771)**
Transactions with owners								
Dividend paid		-	-	(71)		**(71)**		**(71)**
Additional equity in the period	2	-	-	(2)	-	**-**	-	**-**
Share cancellation	(65)	-	-	15	-	**(50)**	-	**(50)**
Balance at 31 May 2024	**1,832**	**-**	**-**	**154,899**	**(1)**	**156,730**	**(52)**	**156,678**
Loss for the year	-	-	-	(14,345)		**(14,345)**	281	**(14,064)**
Other comprehensive income	-	-	-	-	81	**81**	-	**81**
Total Comprehensive loss for year	**-**	**-**	**-**	**(14,345)**	**81**	**(14,264)**	**281**	**(13,983)**
Transactions with owners								
Dividend Paid	-	-	-	(232)	-	**(232)**	-	**(232)**
New shares issued	349	42,999	10,850	-	-	**54,198**	-	**54,198**
Balance at 31 May 2025	**2,181**	**42,999**	**10,850**	**140,322**	**80**	**196,432**	**229**	**196,661**

The notes set out on pages 28 to 62 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2025

	Share capital	Share Premium	Merger reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 June 2023	1,895	-	-	168,721	**170,616**
Transactions with owners					
New shares issued	2	-	-	(2)	**-**
Share cancellation / buy back	(65)	-	-	15	**(50)**
Balance at 31 May 2024	**1,832**	**-**	**-**	**168,734**	**170,566**
Loss for the year	-	-	-	(2,166)	**(2,166)**
Transactions with owners					
New shares issued	349	42,999	10,850	-	**54,198**
Balance at 31 May 2025	**2,181**	**42,999**	**10,850**	**166,568**	**222,598**

The notes set out on pages 28 to 62 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2025

	Note	Year ended May 2025 £'000	Year ended May 2024 £'000
Loss for the financial year		(14,064)	(10,795)
Adjustments for:			
Depreciation of tangible assets	**13**	529	607
Depreciation of right-of-use assets	**14**	1,238	1,167
Amortisation of intangible assets	**12**	6,174	7,563
Amortisation of capitalised debt cost		705	705
Impairment of goodwill	**12**	-	2,000
Gain/ (Loss) on disposal		182	(24)
Net interest cost		15,903	14,232
Movement in FV of hedging facility		484	1,002
Fair value adjustment to contingent consideration		1,219	(95)
Income tax expense	**11**	(676)	(1,454)
Share of profit of Joint Venture		(116)	-
Share based payment charge		4,608	59
Deemed remuneration charge		1,079	989
Cash flows from operating activities		**17,265**	**15,956**
Movements in working capital:			
Increase in trade and other receivables		(9,665)	(4,690)
Increase in trade and other payables (excluding deemed remuneration)		(564)	(1,895)
Cash generated from operations		**7,036**	**9,371**
Income taxes paid		(1,093)	(2,641)
Net cash from operating activities (before deemed remuneration payment)		**5,943**	**6,730**
Settlement of deemed remuneration		(1,024)	(8,347)
Net cash (used in)/generated from operating activities		**4,919**	**(1,617)**
Investing activities			
Receipts/(loans) from related entity		831	4,000
Purchases of tangible assets	**13**	(609)	(745)
Purchases of intangible assets	**12**	(709)	(357)
Acquisition of subsidiary, net of cash acquired		(33,596)	-
Payments of contingent consideration		(711)	(2,057)
Net cash used in investing activities		**(34,794)**	**841**
Financing activities			
Dividend paid		(232)	(71)
Interest paid		(14,577)	(14,350)
Lease liability interest paid		(360)	(344)
Repayment of lease liabilities		(1,134)	(554)
Cash proceeds on issue of shares	**30**	43,062	-
Loan payments		-	(4,000)
Proceeds from loans		4,500	14,500
Fees paid in relation to hedging facility		-	(1,537)
Proceeds from hedging facility		255	359
Net cash (used in)/ generated from financing activities		**31,514**	**(5,997)**
Net (decrease)/increase in cash and cash equivalents		**1,639**	(6,773)
Cash and cash equivalents at beginning of the year		6,916	13,661
Effect of foreign exchange rate changes		40	28
Cash and cash equivalents at end of year		**8,595**	**6,916**

The notes set out on pages 28 to 62 are an integral part of these financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2025

1. General Information

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the Company's registered office is shown on page 2.

The principal activities of the Company and the nature of the Company's operations are set out in the strategic report.

These financial statements are presented in sterling (£s), which is the currency of the primary economic environment in which the Group operates and are rounded to the nearest £'000.

The accounting policies adopted in the preparation of the financial statements are set out below.

2. Basis of Preparation

The Group consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and in accordance with UK-adopted international accounting standards. The consolidated financial statements have been prepared on the going concern basis and under the historical cost convention.

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework', on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies reporting under FRS 101.

All non-direct costs have been disclosed as administrative expenses.

3. Accounting Policies

Basis of Preparation

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented.

Basis of consolidation

The Group financial statements consolidate the results of the company, Shin Topco Limited, and its subsidiaries (together referred to as the "Group").

Subsidiary undertakings acquired are included using the acquisition method of accounting. Under this method the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows include the results and cash flows of subsidiaries from the date of acquisition and to the date of sale outside the Group in the case of disposals of subsidiaries.

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

New Standards, Amendments to Standards, and Interpretations Not Yet Effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS21 The Effects of Changes in Foreign Exchange Rates);

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- Amendments to the Classification and Measurements of Financial Instruments (amendments to IFRS 9 Financial Instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

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

The Group is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 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.

Going Concern

The Group has generated positive EBITDA throughout its trading history. K3 Capital Group has shown resilience and robustness over time, including during the recent global pandemic and ensuing time of economic uncertainty. The Group meets its day-to-day working capital requirements through operating cash flows and a revolving credit facility ("RCF").

The period ends with £8.6m of cash reserves and the Directors confirm they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements.

This confirmation is made after having reviewed assumptions about future trading performance (including several downside scenarios), capital expenditure, asset purchases and debt requirements contained within the Group's current forecasts. The Group is expected to remain cash positive and in compliance with all banking covenants for at least the next 12 months and the Directors have also considered potential risks and uncertainties in the business, such as credit, market and liquidity risks, including the availability of bank facilities. Further stress testing has been carried out to ensure the Group has sufficient cash resources to continue in operation for at least the next 12 months.

This stress testing included extreme downside scenarios with materially reduced levels of cash receipts over the period. These downside scenarios excluded any mitigating actions that the Board would be able to take to reduce costs. Other than employee costs, the Group generally has a low fixed cost base with the ability to significantly reduce marketing spend, general overheads, and payroll costs (due to performance linked pay). Under these scenarios, the Group would still expect to remain cash positive and in compliance with all banking covenants for at least the next 12 months from the date of this report. Furthermore the Directors have not identified any material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis.

Based on the above and after consideration of market conditions, including interest rate and inflation forecasts, the Group's financial position (including the level of headroom available within the bank facilities), financial forecasts and its profile of cash generation and principal risks, the Directors have a reasonable expectation that both the Company and the Group will be able to continue in operation and meet its liabilities as they fall due over the period, being at least 12 months from the date of approval of the financial statements.

Revenue Recognition

Revenue comprises revenue recognised by the Group in respect of services supplied during the period, exclusive of Value Added Tax. The Group recognises revenue from the following major sources:

- Business Sales retainer fees arising from customers for professional advice;
- Business Sales Transaction fees arising from business sales arranged by the Group companies;
- Restructuring and Tax fees arising from customers for professional advice; and
- R&D Tax fees arising from customers for professional advice.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Business Sales – retainer fees

There are several performance obligations associated with Business Sales retainer fee income. This is because there are a number of different services provided. These services include the drafting of an information memorandum, as well as performing research to obtain a buyer for the client.

Revenue for retainer fees are recognised over time because the work performed does not create an asset which has an alternate use, and the Group has an enforceable right to payment for the work of which has been performed. There is no variable consideration.

The transaction price is determined at inception of the contract. The transaction price is allocated to the performance obligation in line with the stage of completion of the retainer fee.

The Group applies a "portfolio approach" as allowed under IFRS 15 with our revenue model for recognition applied to a portfolio of contracts with similar characteristics due to there not being a material difference to applying these on an individual contract basis.

Business Sales – transaction fees

There is one performance obligation within Business Sales transaction fee income. This obligation is the completion of a Transaction as defined in K3 Capital Group's terms of business, being the transfer of shares or assets from a client to a 3rd party, with fees settled from the sale proceeds. No contract liabilities arise with transaction fee income, and there is no variable consideration. Further detail on revenue recognition policies is provided in the critical accounting estimates section in note 4.

R&D Tax Fees

R&D Tax fee income is recognised at the point in which it can be reliably estimated and our service is deemed to be complete. Contractual terms dictate a customer will be invoiced on receipt of a refund from HMRC, however due to the variable length from submission of claim to client refund, unbilled income is recognised at the point of claim submission to HMRC. Revenue is recognised when a claim is submitted to HMRC as we consider that as this point we have met our performance obligation to the client.

Recuring Revenue Fees in Technology Division

Revenue is recognised over the period the contract relates to with the appropriate deferral/ accrued revenue. Revenue is also recognised as an agent where the business acts as an intermediary between the customer and the ultimate provider under the "agent principle".

Revenue Recognition (continued)

Restructuring and Tax fees

Restructuring and Tax Revenue is recognised on the basis of a contract being in place with a client, that the control of the contracted service lies with the client, and in line with contractual performance obligations at an amount reflecting that expected for the rendering of the services provided.

For the Group's formal insolvency appointments and other advisory engagements, where remuneration is typically determined based on hours worked by professional partners and staff, the Group transfers control of its services over time and recognises revenue over time if the Group provides services for which it has no alternative use or means of deriving value.

Progress on each assignment is measured using an input method based on costs incurred to date as a percentage of total anticipated costs.

In determining the amount of revenue and the related balance sheet items (such as trade receivables, unbilled income and deferred income) to recognise in the period, management is required to form a judgement on each individual contract of the total expected fees and total anticipated costs. Where appropriate, further judgement is applied on a portfolio basis to ensure consistent accounting for smaller cases.

In some instances the exact total revenue on a contract is uncertain and the total consideration for a contract can be variable based on different future outcomes. In these instances, management make an estimate of the total transaction price to the extent that it is highly probable a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In making this assessment management consider:

- The amount of consideration is highly susceptible to factors outside the entity's influence.
- The uncertainty about the amount of consideration is not expected to be resolved for a long time.
- The entity's experience with (or other evidence from) similar types of contracts is limited or has limited predictive value.
- The contract has a large number and a broad range of possible consideration amounts.

These estimates and judgements may change over time as the engagement completes and this will be recognised in the consolidated statement of comprehensive income in the period in which the revision becomes known. It is reasonable to expect some potential upside and downside on individual contracts, however these judgements are formed over a large portfolio and we do not expect a material deviation over the portfolio.

Invoices on formal insolvency appointments are generally raised having achieved approval from creditors to draw fees. This is typically settled on a timely basis from case funds. On advisory engagements, invoices are generally raised in line with contract terms.

Clients are provided with a Terms of Engagement letter when appointed, which acts as both the appointment date and the terms of our contract.

The value of a contract is assessed on the basis of time charged by employees to cases in 6 minute intervals at rates set within our terms of engagement. Revenue is recognised over time where there is a right to payment for performance of contracted services completed to date and, for insolvency appointments, there is approval from creditors to draw fees.

The provisioning method is used to value Unbilled Revenue where time has been charged to cases and as yet remains unbilled. This is based upon the estimated recoverability on a case by case basis by Directors of the current unbilled value with reference to the future billing against future costs to complete the service. Where a fixed fee is agreed the hourly chargeable time value is reviewed against the final fixed fee.

Services provided to clients which at the balance sheet date have not been billed are recognised as unbilled revenue within debtors.

Where amounts are billed in advance of the service being provided these are included within deferred income within creditors.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones under c£5,000 equivalent – per IFRS 16). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Employee Benefits

- Short-term benefits
  Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

- Defined Contribution plans
  The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions are charged to the Statement of Comprehensive Income. The Group also contributes to the personal pension plans of the Directors at the Group's discretion.

Operating Profit

Operating profit is stated after all expenses, including those considered to be exceptional, but before finance income or expenses. Distribution costs relate to marketing expenses. All other operational costs are classified as administrative expenses.

Business Combinations and Goodwill

The acquisition of subsidiaries and businesses is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred to former owners and equity instruments issued by the Group in exchange for control of the acquiree. Contingent consideration is initially measured at fair value at the date of the business combination. Any subsequent adjustment to this fair value (such as meeting an earnings target), where the consideration is payable in cash, is recognised in the consolidated statement of comprehensive income.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Where the fair value of the assets and liabilities at acquisition cannot be determined reliably in the initial accounting, these values are considered to be provisional for a period of 12 months from the date of acquisition. If additional information relating to the condition of these assets and liabilities at the acquisition date is obtained within this period, then the provisional values are adjusted retrospectively. This includes the restatement of comparative information for prior periods.

Acquisition costs are recognised in the consolidated statement of comprehensive income as incurred and separately disclosed due to the nature of this expense.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognised for the non-controlling interest over the fair value of the identifiable net assets acquired and liabilities assumed.

After initial recognition, goodwill is not amortised and is measured at cost less any accumulated impairment losses.

Other Intangible Assets

The Group classifies website costs as an intangible asset. Such intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

On a business combination, as well as recording separable intangible assets already recognised in the balance sheet of the acquired entity at their fair value, identifiable intangible assets that are separable or arise from contractual or other legal rights are also included in the acquisition balance sheet at fair value.

Other Intangible Assets (continued)

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Customer contracts	1-15 years
Technology related asset	5 years
Brand	10 -15 years
Website, development costs and software costs	3 years 33% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	Over the lease term
Fixtures and fittings	1-4 years
Equipment	1-4 years

Investments in subsidiaries and joint ventures

In the Company's separate financial statements, fixed asset investments, including those in subsidiary undertakings, are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Joint ventures are accounted for under the equity method, initially recorded at cost, and subsequently stated at cost, adjusted for attributable share of profit or loss after the date of acquisition.

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. 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 classification of financial assets is based both on the business model of which the asset is held and the contractual cashflow characteristics of the asset. There are three principal classification categories for financial assets that are debt instruments: (i) amortised cost, (ii) fair value through other comprehensive income (FVTOCI) and (iii) fair value through profit or loss (FVTPL). The recognition, measurement and de-recognition applied by the Group is disclosed below.

Initial recognition and measurement

The Group's financial assets include cash and cash equivalents, trade receivables that arise from the business operations, as well as non-derivative other financial assets.

Cash and cash equivalents comprise deposits with banks and bank and cash balances, subject to insignificant risk of changes in value. All other financial assets, including trade receivables, are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. Interest is recognised by applying the effective interest method, except for short term receivables when the recognition of interest would be immaterial.

Financial Instruments (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities and equity components

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and in conjunction with the application of IFRS. Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and

- where the instruments will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to these shares.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. IFRS 9 involves the use of an expected credit loss model when assessing for potential impairment. This takes into consideration increased credit risk, probabilities of default, and deteriorations in the macro-economic environment.

With respect to intercompany loans, at initial recognition, the parent company makes an assessment as to the initial credit risk of the amounts owed by subsidiary undertakings by taking into account available relevant information about subsidiary undertakings current and expected operating performance and cashflow position. This incorporates forward looking information such as the general economic environment, consumer confidence and inflation, changing consumer demands and the competitive environment.

The parent company has defined a default of amounts owed by subsidiary undertakings to be when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient liquid assets to repay the loan when due. This is assessed based on a number of factors including key liquidity and solvency ratios. An assessment is made of significant increases in credit risk since initial recognition, using a qualitative assessment focusing on a comparison of forecast KPIs over the expected life of the amounts owed by subsidiary undertakings at initial recognition to forecast KPIs over the remaining expected life of the amounts owed by subsidiary undertakings at the reporting date (taking into account forward looking information such as the updated economic and business environment). The parent company has also considered credit impaired indicators and define this to be when amounts owed by subsidiary undertakings meets the definition of a default.

The Group recognises a loss allowance for expected credit losses on trade receivables and contract assets. 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 instrument.

The Group always recognises lifetime ECL (expected credit losses) for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition

In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

Impairment of assets (continued)

Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

Impairment of assets (continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For assets that have indefinite lives, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. For the purpose of impairment testing, assets are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or Group of units) on a pro rata basis.

Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the 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 not taxable or tax deductible.

The Group’s liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial period.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Share Capital

Ordinary shares are recorded at nominal value and proceeds received in excess of nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly to the issue of shares are accounted for as a deduction from share premium, otherwise they are charged to the Statement of Comprehensive Income.

Any premium on shares issued on a share for share exchange to acquire over 90% of a business are recognised in merger reserve inline with the companies act section 612.

Events After the Balance Sheet Date

Post period-end events that provide additional information about the Group’s position at the balance sheet date are reflected in the financial statements. Post period-end events that are not adjusting events are disclosed in the notes when material.

Related Parties

Parties are considered to be related if one party has the ability (directly or indirectly) to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Share Based Payments

Cash settled share based payment arrangements are accounted for under IFRS 2 with the fair value of the options remeasured at each reporting date and the fair value charged to the profit and loss account over the vesting period. Where the vesting is contingent on a future event a charge is recognised only where the future event is considered probably. Fair value is measure by the use of appropriate valuation model which takes into account conditions attached to the vesting of the instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

4. Critical Accounting Estimates and Judgements

In applying the accounting policies, the Directors may at times be required to make critical accounting judgements, estimates and assumptions about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the directors considers are relevant.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed are as stated below. The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that 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.

Estimates and Judgements

Revenue recognition

Revenue is recognised by the Group in respect of services supplied to clients of the Group in presenting the clients' sales opportunity to market, sourcing potential acquirers and project managing transactions to completion.

In relation to the services provided by Business Sales, a non-contingent fee ("retainer fee") is typically paid by clients upon commencement of a contract with the Group, which is included in contract liabilities and recognised as revenue over the period in which performance obligations are met. The critical estimate on retainer fee income is identifying the performance obligations. This judgement is made on the fact that as part of a retainer, there are different services provided, none of which are individually distinct. This has been detailed within note 3.

The directors are required to estimate the period over which the service commences, and the performance obligation is met, and accordingly recognise revenue based on that estimate. This involves estimation of the point of time in which specific services are carried out as part of the retainer. The directors have made this estimate based upon the amount of time taken to perform these specific services. The time period that retainer fee income is recognised is regularly reviewed. This leads to the recognition of contract liabilities at period ends, which the directors estimate based on the stage of completion of services at that point in time by reference to the performance obligations set.

Linked to the non-contingent fee at the commencement of a contract is a commission fee payable to employees for sourcing the contract. The commission costs are incremental and recognised over the same period as the revenue, and thus are released in line with the release of retainer fee income from contract liabilities. Commission costs deferred are accounted for within prepaid contract costs.

4. Critical Accountings Estimates and Judgements (continued)

Estimates and Judgements (continued)

Revenue recognition (continued)

A contingent fee ("transaction fee") is payable upon the completion of a transaction. Judgement is applied in regards to the number of performance obligations. There is one performance obligation, the sale of shares or assets to a third party. This has been determined after management reviewed a sample of contracts in respect of transaction fee income.

This review was conducted after consideration of the requirements within IFRS 15 and concluded that there is one performance obligation. This fee is typically a percentage of the transaction value and therefore varies by client. Revenue on the transaction fee element of the contract is only recognised when the performance obligation has been satisfied, at completion of the transaction.

Unbilled restructuring and tax income

As detailed in note 3, in determining the amount of revenue to recognise in the period, management are required to form a judgement of the total expected fees and total anticipated costs on each material individual contract; for smaller contracts these are determined on a portfolio basis. Unbilled income arises as work progresses on restructuring and tax engagements. There is estimation uncertainty involved in the proportion of recoverable amount and judgement involved in determining the likelihood of case outcome. These estimates and judgements may change over time as the engagement completes. Management have reviewed the sensitivity of the assumptions in determining the amount of revenue to recognise in the period, and consider that the reasonably possible outcomes do not have a material impact.

Goodwill and assessment for potential impairment

The Group records all assets and liabilities acquired in business combinations, including goodwill, at fair value. Goodwill is not amortised but is subject, at a minimum, to annual tests for impairment. The initial goodwill recorded and subsequent impairment review require management to make subjective judgements concerning the value in use of cash-generating units. This requires an estimate of the future cash flows expected to arise from the cash-generating unit and a suitable discount rate to calculate present value. Details of the assumptions made are provided in note 12.

Determining whether goodwill is impaired requires an estimation of the fair value less costs of disposal of the cash-generating unit to which the assets have been allocated. CGUs are determined by the smallest Group of assets that generate independent cash inflows, which is largely by individual subsidiary. The fair value less costs of disposal calculation requires management to derive an earnings multiple and estimate costs of disposal in order to calculate present value (see note 12). The earnings multiple is derived from comparable companies in the market.

No impairment was identified from the impairment review and furthermore, a reasonably possible change in the assumptions applied from sensitivity analysis did not result in an impairment.

Intangible assets in a business combination

On the acquisition of a business the identifiable intangible assets may include brands, customer relationships, customer contracts, order backlogs and websites. The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset where no active market for the asset exists, being a key source of estimation uncertainty. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets, with a resultant impact on the goodwill or gain on acquisition recognised. Management have performed sensitivity analysis on expected future cash flows, including revenue and expenditure, and consider there to be sufficient headroom in all reasonably possible scenarios such that no impairment is required. Details in relation to current period acquisitions are in note 30.

4. Critical Accountings Estimates and Judgements (continued)

Estimates and Judgements (continued)

Contingent Consideration

Where a business is acquired and the purchase agreement includes contingent consideration arrangements, the liability recognised at the acquisition date is measured at fair value. The fair value of contingent consideration is determined by discounting the expected future payments based on management's assessment of the probability-weighted outcomes of the contingent events. This involves significant estimation uncertainty, as the valuation is sensitive to both the assumptions applied to forecast future payments and to the discount rate used. Details in relation to current period acquisitions are in note 30.

Calculation of loss allowance and debtor provisions

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. 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.

5. Revenue

The Group's revenue arises from the provision of services in fulfilling the principal activities

Revenue is broken down as:

	2025 £'000	2024 £'000
Over time	55,796	45,197
At a point in time	57,788	44,560
Total	**113,584**	**89,757**

A further breakdown of revenue by service line, type and geographic location is shown below:

	2025 £'000	2024 £'000
United Kingdom & Republic of Ireland	108,847	81,862
Cyprus	1,011	738
Cayman Islands	10	3,250
Singapore	3,540	2,638
Hong Kong	171	392
Vietnam	5	-
Middle East	-	877
Total	**113,584**	**89,757**

The Group's revenue is recognised when performance obligations are satisfied, further details of which are included in the accounting policies. As a result, contract liabilities arise when performance obligations have not been met. The contract balances recognised are:

	2025 £'000	2024 £'000
Contract assets		
Unbilled income	29,060	21,140
Contract liabilities		
Deferred income	16,460	6,663

Revenue recognised in the period that was included in deferred income at the beginning of the period was £6.6m (PY:£6.3m).

6. Operating Profit

Operating profit is stated after charging:

	2025 £'000	2024 £'000
Amortisation of intangibles	6,174	7,563
Depreciation of property, plant and equipment	529	607
Depreciation of right-of-use assets	1,238	1,167
Auditor remuneration	275	210
Impairment of Goodwill	-	2,000

7. Auditors Remuneration

The analysis of the Auditor's remuneration is as follows:

	2025 £'000	2024 £'000
BDO LLP		
Fees payable to the Company's Auditor for the audit of the Group and Company's annual accounts	275	210
Total Auditor's remuneration	**275**	**210**

Fees payable to the Company's Auditor and its associates for other services was £395k (PY: £162k) relating to Financial Due Diligence and covenant review.

8. Employee Benefits Expense

There were no employees or salary costs in the Company in the period.

The average number of persons employed by the Group during the period, including the directors, amounted to:

	2025 No.	2024 No.
Management	2	2
Administrative & Fee Earners	902	667
	904	**669**

The aggregate payroll costs incurred during the period by the Group, relating to the above, were:

	2025 £'000	2024 £'000
Wages, salaries and performance related pay	58,431	44,477
Deemed remuneration	1,029	989
Social security costs	5,997	4,656
Other pension costs	1,768	1,168
	67,225	**51,290**

9. Director's and Key Management Remuneration

The directors do not earn a remuneration directly from the Company or Group. Their positions as directors are due to them being employed by the Ultimate Beneficial owner of the Group.

9. Director's and Key Management Remuneration (continued)

There are 2 individuals (2024: 2) who are considered to be key personal as they are responsible for the day to day management and long term strategy of the Group.

Remuneration of the Key Management Personnel:

	2025 £'000	2024 £'000
Wages, salaries	870	863
Social security costs	121	117
	991	**980**

10. Finance Cost

	2025 £'000	2024 £'000
Interest on bank overdrafts and borrowings	14,099	13,709
Interest on lease liabilities	360	344
Unwinding of discount on deferred & contingent consideration	1,319	44
Amortisation of capitalised debt cost	705	705
Movement in FV of hedging facility	484	1,002
Other	125	136
	17,092	**15,940**

11. Current Tax

Major components of tax expense

	2025 £'000	2024 £'000
Current tax:		
UK current tax expense	719	270
Adjustments in respect of prior periods	9	56
Total current tax charge	**728**	**326**
Deferred tax:		
Origination and reversal of temporary differences (note 21)	(1,404)	(1,780)
Overall tax (credit) /charge	**(676)**	**(1,454)**

11. Current Tax (continued)

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the period is higher (2024: higher) than the standard rate of corporation tax in the UK of 25% (2024:25%).

	2025 **£'000**	**2024** **£'000**
Loss on ordinary activities before taxation	(14,740)	(12,249)
Tax on profit at the average rate	(4,085)	(2,924)
Factors effecting charge		
Fixed asset differences	7	10
Disallowable management expenses	3,318	942
Net loan relationships	75	115
Adjustments relating to trade/ property	-	106
Other permanent differences	-	80
(Under) provision - current taxes	-	(36)
Movement in deferred tax not recognised	-	197
Adjustments to tax charge in respect of previous periods	9	56
Tax (credit)/ charge for the period	**(676)**	**(1,454)**
Effective rate	*5%*	*14%*

	2025 **£'000**	**2024** **£'000**
Current Tax Asset / (Liability)	1,621	1,384

Changes Affecting Future Tax Rates

Deferred taxes at the balance sheet date have been measured using the 25% tax rates as that is the expected tax rate going forward and reflected in these financial statements.

There are no other known or enacted changes to the tax rates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2025

12. Intangible Assets

Group	Goodwill	Customer related	Brand Intangible	Technology related	Website and software costs	Development costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 June 2023	228,436	27,806	12,860	-	164	438	269,704
Additions	207	-	-	-	111	246	564
Disposals	-	-	-	-	(14)	-	(14)
At 31 May 2024	**228,643**	**27,806**	**12,860**	**-**	**261**	**684**	**270,254**
Amortisation							
At 1 June 2023	-	1,740	321	-	24	38	2,123
Charge for the period	-	6,011	1,286	-	93	172	7,562
Disposals	-	-	-	-	(13)	-	(13)
Impairment	2,000			-			2,000
At 31 May 2024	**2,000**	**7,751**	**1,607**	**-**	**104**	**210**	**11,672**
Carrying amount							
At 31 May 2024	**226,643**	**20,055**	**11,253**	**-**	**157**	**474**	**258,582**
At 31 May 2023	228,436	26,066	12,539	-	140	400	267,581

Group	Goodwill	Customer related	Brand Intangible	Technology related	Website and software costs	Development costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 June 2024	226,643	27,806	12,860	-	261	684	268,254
Additions	45,257	19,564	5,593	1,872	10	699	72,995
At 31 May 2025	**271,900**	**47,370**	**18,453**	**1,872**	**271**	**1,383**	**341,249**
Amortisation							
At 1 June 2024	-	7,751	1,607	-	104	210	9,672
Charge for the period	-	3,903	1,534	374	88	275	6,174
At 31 May 2025	**-**	**11,654**	**3,141**	**374**	**192**	**485**	**15,846**
Carrying amount							
At 31 May 2025	**271,900**	**35,716**	**15,312**	**1,498**	**79**	**898**	**325,403**
At 31 May 2024	226,643	20,055	11,253	-	157	474	258,582

The Company has no intangible assets.

The carrying amount of goodwill has been allocated to groups of CGUs as follows:

	2025	2024
	£'000	£'000
Business Sales	124,386	124,386
Restructuring	65,407	65,407
Tax	40,160	36,850
Technology Solutions	41,947	-
	271,900	**226,643**

As explained in the accounting policies, the Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are based on fair value less costs of disposal.

12. Intangible Assets (continued)

The key assumptions for the fair value less costs of disposal calculations are the earnings multiple and estimated costs of disposal. The earnings multiple has been derived from comparable companies in the market.

From management's assessment, no impairment is required and management performed sensitivity analysis on the earnings multiples and a decrease in the multiple by x1 would not result in an impairment loss and there still would be sufficient headroom.

13. Tangible Assets

Group	**Leasehold Property**	**Fixtures and fittings**	**Equipment**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 1 June 2023	138	534	513	1,185
Additions	152	185	408	745
Disposals	-	-	(23)	(23)
At 31 May 2024	**290**	**719**	**898**	**1,907**
Depreciation				
At 1 June 2023	12	66	56	134
Charge for the period	58	236	313	607
Depreciation eliminated on disposal	-	-	(21)	(21)
Exchange differences	-	2	8	10
At 31 May 2024	**70**	**304**	**356**	**730**
Carrying amount				
At 31 May 2024	**220**	**415**	**542**	**1,177**
At 31 May 2023	126	468	457	1,051

Group	**Leasehold Property**	**Fixtures and fittings**	**Equipment**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 1 June 2024	290	719	898	**1,907**
Additions	72	288	249	**609**
Acquired	9	78	71	**158**
Disposals	-	(186)	(34)	**(220)**
At 31 May 2025	**371**	**899**	**1,184**	**2,454**
Depreciation				
At 1 June 2024	70	304	356	**730**
Charge for the period	91	105	333	**529**
Depreciation eliminated on disposal	-	-	-	**-**
Exchange differences	8	28	(5)	**31**
At 31 May 2025	**169**	**437**	**684**	**1,290**
Carrying amount				
At 31 May 2025	**202**	**462**	**500**	**1,164**
At 31 May 2024	220	415	542	1,177

The Company has no tangible assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2025

14. Right of Use Assets

	Buildings	Motor Vehicles	Computer Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 June 2023	3,193	208	-	3,401
Additions	2,301	58	62	2,421
Cost of disposal	(409)	-	-	(409)
Remeasurement Adjustment	(98)	-	-	(98)
At 31 May 2024	**4,987**	**266**	**62**	**5,315**
Depreciation				
At 1 June 2023	331	30	-	361
Charge for the period	1,064	99	4	1,167
Depreciation eliminated on disposal	(95)	-	-	(95)
Exchange differences	(21)	-	-	(21)
At 31 May 2024	**1,279**	**129**	**4**	**1,412**
Carrying amount				
At 31 May 2024	**3,708**	**137**	**58**	**3,903**
At 31 May 2023	2,862	178	-	3,040

	Buildings	Motor Vehicles	Computer Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 June 2024	4,987	266	62	**5,315**
Additions	86	65	-	**151**
Acquired	733	164	251	**1,148**
Cost of disposal	(179)	(32)	(7)	**(219)**
At 31 May 2025	**5,627**	**463**	**306**	**6,396**
Depreciation				
At 1 June 2024	1,279	129	4	**1,412**
Charge for the period	1,037	131	70	**1,238**
Depreciation eliminated on disposal	(51)	(20)	-	**(71)**
Exchange differences	41	(6)	-	**35**
At 31 May 2025	**2,306**	**234**	**74**	**2,614**
Carrying amount				
At 31 May 2025	**3,321**	**229**	**232**	**3,782**
At 31 May 2024	3,708	137	58	**3,903**

There are no material short term or low value lease expenses in the period.

The Company has no leases.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2025

15. Lease Liabilities

	Buildings £'000	Motor Vehicles £'000	Computer Equipment £'000	Total £'000
At 1 June 2023	2,617	180	-	2,797
Additions	2,174	58	62	2,294
Interest expenses	331	12	1	344
Lease payments	(788)	(107)	(3)	(898)
Disposals	(450)	-	-	(450)
Exchange differences	(10)	-	-	(10)
At 31 May 2024	**3,874**	**143**	**60**	**4,077**
At 31 May 2023	2,617	180	-	2,797
Current				976
Non-Current				3,101
Total				**4,077**

	Buildings £'000	Motor Vehicles £'000	Computer Equipment £'000	Total £'000
At 1 June 2024	3,874	143	60	4,077
Acquired	109	157	-	266
Additions	615	222	244	1,081
Interest expenses	314	31	15	360
Lease payments	(1,174)	(240)	(75)	(1,489)
Disposals	(144)	(106)	-	(250)
Exchange differences	(9)	-	-	(9)
At 31 May 2025	**3,585**	**207**	**244**	**4,036**
At 31 May 2024	3,874	143	60	4,077
Current				1,342
Non-Current				2,694
Total				**4,036**

The Company had no leases. The following table sets out the contractual maturities of the lease liabilities:

Group	Up to 1 year £'000	Between 1 year and 2 years £'000	Between 2 year and 5 years £'000	Over 5 years £'000
At 31 May 2025				
Lease liability	1,279	1,162	1,610	885

The Group has options to purchase certain equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases. The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function. All lease obligations are denominated in Sterling other than those held by the Group's foreign subsidiaries. There were no rent concessions received during the year or prior year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2025

16. Investments

Company	**Investments £'000**
At 1 June 2024	**170,566**
Additions	59,611
As at 31 May 2025	**230,177**

The addition is from the acquisition of Pinnacle as noted in the Strategic Report.

Details of the investments in which the parent company has an interest in are as follows:

Year Ended 31 May 2025	**Country of Incorporation and Principal Place of Business**	**Class of share**	**Percentage of shares held(%)**
K3 Advisory Group Limited	United Kingdom	Ordinary shares	100
Professional Insight Marketing Ltd	United Kingdom	Ordinary shares	100
K3 Business Sales Advisory Group Limited	United Kingdom	Ordinary shares	100
K3 Restructuring Advisory Group Limited	United Kingdom	Ordinary shares	100
K3 Tax Advisory Group Limited	United Kingdom	Ordinary shares	100
KBS Corporate Sales Limited	United Kingdom	Ordinary Shares	100
KBS Corporate Finance Limited	United Kingdom	Ordinary Shares	100
Knightsbridge Business Sales Limited	United Kingdom	Ordinary Shares	100
KBS Capital Markets Limited	United Kingdom	Ordinary shares	100
Market Mapping Limited	United Kingdom	Ordinary Shares	40
K3 Debt Advisory Limited	United Kingdom	Ordinary Shares	100
Knight Corporate Finance Group Limited	United Kingdom	Ordinary shares	100
Knight Corporate Finance Limited	United Kingdom	Ordinary shares	100
Knight Transaction Services Limited	United Kingdom	Ordinary shares	100
Quantuma Advisory Limited	United Kingdom	Ordinary Shares	100
Quantuma Cyprus Limited	Cyprus	Ordinary Shares	100
Quantuma Corporate Finance Limited	United Kingdom	Ordinary Shares	100
Quantuma International Advisory Limited	United Kingdom	Ordinary Shares	100
Quantuma (Cayman) Limited	Cayman Islands	Ordinary Shares	100
Quantuma (Middle East) Limited	Dubai	Ordinary Shares	100
Quantuma Middle East Saudi Arabia Limited	Saudi Arabia	Ordinary Shares	100
Quantuma (Singapore) Pte Ltd	Singapore	Ordinary Shares	83
Quantuma (BVI) Ltd	British Virgin Islands	Ordinary Shares	100
RandD UK Limited	United Kingdom	Ordinary Shares	100
R&D Tax and Grants Limited	United Kingdom	Ordinary Shares	100
InTax Limited	United Kingdom	Ordinary Shares	100
K3 Tax Advisory Limited	United Kingdom	Ordinary Shares	70
Knight R&D Limited	United Kingdom	Ordinary Shares	100
Quantuma Advisory (Yorkshire) Limited	United Kingdom	Ordinary Shares	100
K3 Law Limited*	United Kingdom	Ordinary Shares	80
K3 Advantage Limited	United Kingdom	Ordinary Shares	78
Quantuma (HK) Limited	Hong Kong	Ordinary Shares	83

16. Investments (continued)

Quantuma Vietnam Pte Limited	Vietnam	Ordinary Shares	83
Quantuma Labuan Limited	Malaysia	Ordinary Shares	83
KR8 Advisory Limited	United Kingdom	Ordinary Shares	100
KR8 Real Estate Limited	United Kingdom	Ordinary Shares	100
K3 Capital Group Limited	United Kingdom	Ordinary Shares	100
HMA Tax (International) Limited	United Kingdom	Ordinary Shares	100
HMA Tax (Dubai) Limited	United Kingdom	Ordinary Shares	100
HMA Property Services Limited	United Kingdom	Ordinary Shares	100
HMA Tax (Offshore) Limited	United Kingdom	Ordinary Shares	100
Shin Holdco Limited	United Kingdom	Ordinary Shares	100
Shin Bidco Limited	United Kingdom	Ordinary Shares	100
Alphalogix Limited	United Kingdom	Ordinary Shares	100
Pinnacle Computing Limited	Republic of Ireland	Ordinary Shares	100
Pinnacle Computing (Support) Limited	United Kingdom	Ordinary Shares	100
Prosys Computing Limited	United Kingdom	Ordinary Shares	100
Flint Studios Limited	United Kingdom	Ordinary Shares	100
Ricjan Limited	United Kingdom		100

Quantuma Cyprus Holdings Limited and Quantuma Poland SP.Zoo liquidated in the period.
* Name changed from Acraman (716) Limited
Acraman (715) Limited is also dissolved

The Group has a 40% interest in a joint venture, Origin IQ Limited, a limited company incorporated and operating in the United Kingdom. The primary activity of Market Mapping Limited is lead generation and target identification primarily for the Business Sales part of the Group. The share of results of joint venture have been presented in profit as below:

Investment in joint venture	**Investments**
	£'000
At 1 June 2024	**-**
Share of profit in joint venture	116
At 31 May 2025	**116**

16. Investments (continued)

Shin Topco Limited holds 100% of the share capital in Shin Holdco Limited. All other subsidiaries are owned indirectly through other Group entities. The Registered Office address of the subsidiaries are noted below:

Otherwise indicated:

K3 House
5 Springfield Court
Summerfield Road
Bolton, BL3 2NT

For Quantuma Advisory Limited, Quantuma International Advisory Limited, Intax Limited and Quantuma Advisory (Yorkshire) Limited
20 St. Andrew Street
London
England
EC4A 3AG

For Quantuma Cyprus Limited
32 Stasikratous Street
4th Floor
Nicosia 1065, Cyprus

For Quantuma (Cayman) Limited
Suite N404, Flagship Building
142 Seafarers Way, George Town
Grand Cayman, Cayman Islands

For Quantuma (Middle East) Limited
Index Towers – East Entrance
Office 2205, Level 22
Al Mustaqbal Street, DIFC, PO Box 191534
Dubai - United Arab Emirates

Quantuma (BVI) Limited
Trinity Chambers,
PO Box 4301
Road Town, Tortola, BVI

For Quantuma (Singapore) Pte Ltd
137 Amoy Street
02-03 Far East Square, 049965
Singapore, 059818

For Quantuma Vietnam Pte Limited
Floor 72 Landmark 81
Vinhomes Central Park
720A Dien Bien Phu

For Quantuma Hong Kong Limited
Flat/ RM 903
Seaview Commercial Building, 21-24 Connaught Road West
Sheung Wan

For Pinnacle Computing (Support) Limited
Pinnacle House, 153 Upper Newtownards Road, Belfast, BT4 3HX

For Pinnacle Computing Limited
Clonmel House, Forster Way, Swords, Co. Dublin

For Alphalogix Limited
1 Ashweir Court, Abbey Mill, Tintern, Chepstow, Monmouthshire, NP16 6SE

For Flint Studios Limited
Unit 6a Ravenhill Business Park, Belfast, BT6 8AW

17. Trade and Other Receivables

	Group	Company	Group	Company
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Trade receivables	24,429	-	15,346	-
Less: impairment provision	(5,102)	-	(4,177)	-
Net trade receivables	**19,327**		**11,169**	-
Unbilled Income	29,060		21,140	-
Other debtors and prepayments	4,655		3,372	-
Amounts due from related parties	-	6,474	-	50
Hedging facility	50		535	-
Total	**53,092**	**6,474**	**36,216**	**50**

The carrying amount of trade and other receivables approximates to their fair value.

17. Trade and Other Receivables (continued)

The amounts due from related parties are amounts due from related companies not in the Group being consolidated. They were settled within 3 months of period end and hence disclosed as current.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are Grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The majority of the group debtors are one off in nature due to the fact that the group is a professional services group. Therefore the majority of the bad debt is applied on older debtors to specific debtors where the recovery is not expected at the balance sheet date. Furthermore historical recovery rates are used for invoices raised at year end.

The lifetime expected loss provision for trade receivables is as follows:

As at 31 May 2025	**Current and not due**	**1 month**	**2 months**	**3 months**	**4 months +**	**Total £'000**
Gross carrying amount	13,486	2,856	985	670	6,432	**24,429**
Loss provision	(468)	-	-	-	(4,634)	**(5,102)**
Net Trade Receivables	**13,018**	**2,856**	**985**	**670**	**1,798**	**19,327**
Expected loss rate	*3%*	*0%*	*0%*	*0%*	*72%*	*21%*

The movement in the impairment provision is as follows:

	2025 £'000	**2024 £'000**
Balance at beginning of the year	4,177	2,937
Amounts arising on acquisition	484	-
Amounts written off during the year	(515)	(241)
Amounts recovered	(1,699)	(779)
Impairment charge in the year	2,682	2,271
Effects of foreign exchange	(27)	(11)
	5,102	**4,177**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2025

18. Trade and Other Payables

Current	**Group 2025 £'000**	**Company 2025 £'000**	**Group 2024 £'000**	**Company 2024 £'000**
Trade Payables	2,625	-	2,267	-
Accruals	10,276	-	6,854	-
Contract liabilities	16,460	-	6,663	-
Other taxation and social security	2,421	-	2,402	-
Other payables	3,140	1,287	2,046	-
Deemed remuneration liabilities	994	-	939	-
Amounts due to related parties	1,080	-	249	50
Total current	**36,996**	**1,287**	**21,420**	**50**

Non-Current	**Group 2025 £'000**	**Company 2025 £'000**	**Group 2024 £'000**	**Company 2024 £'000**
Share based payment liability	4,639	-	59	-
Total non-current	**4,639**	**-**	**59**	**-**
Total	**41,635**	**1,287**	**21,479**	**50**

The contract liabilities arise from the non-contingent contracts provided to certain customers in respect of providing business marketing and research to these clients. It is also in the case where we have invoices in advance of satisfying our performance obligation where revenue is recognised over time.

19. Contingent & Deferred Consideration

	Group 2025 £'000	**Company 2025 £'000**	**Group 2024 £'000**	**Company 2024 £'000**
Current	4,201	1,712	689	-
Non - current	12,126	11,054	705	-
Total	**16,327**	**12,766**	**1,394**	**-**

20. Borrowings

	Group 2025 £'000	**Company 2025 £'000**	**Group 2024 £'000**	**Company 2024 £'000**
Non-current				
Borrowings	125,000	-	120,500	-
Capitalised debt	(3,244)	-	(3,949)	-
Total borrowings	**121,756**	**-**	**116,551**	**-**

The balance is made up of three loans; for £15m, £95m and £15m. The loans mature in Feb 2030. The group also had £1.1m due to related party Sun Capital at the end of the year.

21. Deferred Tax

There is no deferred tax in the Company.

	Group 2025 £'000	Group 2024 £'000
Balance brought forward	(7,999)	(9,779)
Recognised in profit and loss:		
Charge for the year	1,404	1,780
Arising on business combination	(6,763)	-
(Liability) at 31 May 2025	**(13,358)**	**(7,999)**

	Group 2025 £'000	Group 2024 £'000
Analysed as:		
Current	-	-
Non-current	(13,358)	(7,999)
	(13,358)	**(7,999)**

The majority of the deferred tax liability at the period end is in relation to a timing difference on the acquired intangible asset (£13,131k). The remaining balances are mostly other short term timing differences.

22. Share Capital

Allotted called up and fully settled:

	Nominal value	No.	Share Capital 2025 £'000	Share Premium 2025 £'000	Merger Reserve 2025 £'000
At 31 May 2024 -A and B Shares	0.01	183,172,164	1,832	-	-
Shares issued in the year	0.01	34,903,652	349	42,999	10,850
At 31 May 2025 - A and B Shares		**218,075,816**	**2,181**	**42,999**	**10,850**

A ordinary shares – All shares rank equally for voting purposes.
B ordinary shares – Non voting shares

Note the company also has 20,742,949 of C shares (non voting) with a nominal value of £0.00001 per share. From an accounting perspective these are not considered to be share capital and hence are not disclosed as such – see note 28 - Share based Payments.

23. Reserves

Share capital account - This reserve records the amount of the nominal value received for shares sold, less transaction costs.

Foreign exchange reserve - This reserve records the effect of translating the trading performance of overseas subsidiaries into the Group's presentational currency.

Merger reserve - Premium on shares issued in a share for share exchange to acquire over 90% of a business in line with the companies act section 612.

Profit and loss account - This reserve records retained earnings and accumulated losses.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2025

24. Financial Instruments – Risk Management

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables, lease liabilities and bank facility. The Group's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 3 to the financial statements. The Group does not use financial instruments for speculative purposes.

The fair values and the carrying values of financial assets and liabilities are the same. The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

Financial Instrument by category

	2025 Group £'000	2025 Company £'000	2024 Group £'000	2024 Company £'000
Financial assets at amortised cost				
Cash and cash equivalents	8,595	-	6,916	-
Trade and other receivables	48,387	6,474	33,007	50
Financial assets at fair value				
Hedging Facility	50	-	535	-
Total financial assets	**57,032**	**6,474**	**40,458**	**50**
Financial liabilities at amortised cost				
Trade payables and other payables (excluding contract liabilities)	20,536	1,287	14,757	50
Loans and borrowings	125,000	-	120,500	-
Lease liabilities	4,036	-	4,077	-
Financial liabilities at fair value				
Contingent consideration	16,327	-	1,394	-
Total financial liabilities	**165,899**	**1,287**	**140,728**	**50**

All trade and other payables are due to be paid within contracted terms.

General objectives, policies and processes

The Board has overall responsibility for the Group's management of financial risk and has implemented appropriate policies and procedures to mitigate risk as far as possible, as set out below.

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while attempting to maximise the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of issues capital and retained earnings.

24. Financial Instruments – Risk Management (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from sales to clients, The nature of the Group's receivable balances, the time taken for payment by clients and the associated credit risk are dependent on the type of engagement. The primary credit risks associated with the Group's receivables are:

- On formal insolvency appointments (which form the majority of the Group's activities), invoices are generally raised having achieved approval from creditors to draw fees. This is typically settled on a timely basis from case funds. The credit risk on these engagements is therefore considered to be extremely low.

- On the Group's transactional activities, invoices are generally raised on completion of the asset sale or acceptance of a HMRC claim and are typically settled from completion monies or re-claims.

- On other engagements, the timescale to receive payment from the date of invoice is typically longer as the Group's standard payment terms are not practically enforceable in all situations. The board does not believe that this is an indication of increased credit risk on these engagements.

- Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group does not believe it is exposed to any material concentrations of credit risk.

- Unbilled revenue is recognised by the Group only when all conditions for revenue recognition have been met in line with the Group's accounting policy in note 3.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The allowance comprises a provision against individually significant exposures.

The aging of the gross trade receivables at the year end are as follows:

As at 31 May 2025	Current and not due	1 month	2 months	3 months	4 months +	Total £'000
Gross carrying amount	13,486	2,856	985	670	6,432	**24,429**

Interest Rate Risk

The Group is exposed to cash flow interest rate risk from borrowings at variable rate (based on Sterling Overnight Index Average ("SONIA"). Group policy is to review its interest rate exposure on long-term debt and where deemed appropriate, hedge part or all of the outstanding debt. This policy is managed centrally.

Hedging strategy is reviewed by the Board annually, and the effectiveness of the existing hedging strategy is reviewed on an ongoing basis. Hedge accounting has not been adopted during the period. In June 2023 £31.6m of the borrowings has been hedged and variable the interest rate for that element has been capped at 4%.

For the period ended 31 May 2025, if SONIA been 100 basis points higher for the period, with all other variables held constant, the profit before tax for the period would have been c£1.2m lower because of higher interest expense on floating rate borrowings.

24. Financial Instruments – Risk Management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

- Commodity price risk
- Interest rate risk; and
- Foreign currency risk.

Financial instruments affected by market risk include deposits, trade receivables, trade payables and accrued liabilities.

Foreign currency exchange risks

The Group has minimal foreign currency risk currently as its operations and transactions are predominantly denominated in sterling. The overseas entities within the Group operate in their local currencies (euros, US dollars, polish zloty and Singapore dollar) and therefore Foreign exchange risk is not considered to be material for the group.

Liquidity risks

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The maturity profile of the Group's trade and other payables, and other financial liabilities are presented below:

31 May 2025

	Less than 12 months £'000	**1 to 5 years £'000**	**Over 5 years £'000**	**Total £'000**
Trade and other payables (excluding contract liabilities)	20,536	4,639		**25,175**
Contingent consideration	4,482	12,993	-	**17,475**
Borrowings (Net of capitalised debt cost)	-	121,756	-	**121,756**
Total	**25,018**	**139,388**	**-**	**164,406**

25. Related Party Transactions

Group

During the period, Group companies entered into the following transactions with related parties who are not members of the Group. All transactions were made on terms equivalent to those that prevail in arm's length transactions. There is no security held by the related parties on the transactions presented below.

	2025 £'000	**2024 £'000**
Invoices from Sun Capital and related companies	563	577
Intercompany loan due to Sun Capital as at 31 May	1,080	249
Invoices from K3 Estates LLP in the period	189	210
Balance due to /(from) K3 Estates LLP at the end of the year	-	14

K3 Estates LLP are considered a related party as the shareholders are employees of the K3 Group.

26. Net Debt

	As at 1 June 2024 £'000	New Borrowings/ Leases £'000	Repayments £'000	Lease interest £'000	Lease disposal £'000	Amortisation of capitalised debt cost £'000	Other Cashflow movements £'000	Foreign exchange £'000	31 May 2025 £'000
Lease liability	(4,077)	(1,347)	1,489	(360)	250	-	-	9	(4,036)
Borrowings (non current)	(120,500)	(4,500)	-	-	-	-	-	-	(125,000)
Borrowing costs (non current)	3,949	-	-	-	-	(705)	-	-	3,244
Total arising from movement in financing activities	**(120,628)**	**(5,847)**	**1,489**	**(360)**	**250**	**(705)**	**-**	**9**	**(125,792)**
Cash & cash equivalent	6,916	-	-	-	-	-	1,639	40	8,595
Total	**(113,712)**	**(5,847)**	**1,489**	**(360)**	**250**	**(705)**	**1,639**	**49**	**(117,197)**

	As at 1 June 2023 £'000	New Borrowings/ Leases £'000	Repayments £'000	Lease interest £'000	Lease disposal £'000	Amortisation of capitalised debt cost £'000	Other Cashflow movements £'000	Foreign exchange £'000	31 May 2024 £'000
Lease liability	(2,797)	(2,294)	898	(344)	450	-	-	10	(4,077)
Borrowings (non current)	(110,000)	(14,500)	4,000	-	-	-	-	-	(120,500)
Borrowing costs (non current)	4,654	-	-	-	-	(705)	-	-	3,949
Total arising from movement in financing activities	**(108,143)**	**(16,794)**	**4,898**	**(344)**	**450**	**(705)**	**-**	**10**	**(120,628)**
Cash & cash equivalent	13,661	-	-	-	-	-	(6,773)	28	6,916
Total	**(94,482)**	**(16,794)**	**4,898**	**(344)**	**450**	**(705)**	**(6,773)**	**38**	**(113,712)**

27. Events After the Reporting Date

As noted in the Director's Report, subsequent to the balance sheet date, on 15 August 2025, the Group completed acquisitions of:

- 100% of the voting rights of Pareto Financial Planning Limited (UK), a market wealth management business and;
- 52% of Luna Investment Management (UK) Limited a leading investment management specialist who provide tailored investment solutions

The acquisition accounting for the business combination is not yet complete, and the full acquisition accounting (along with the accounting consideration) will be disclosed in the FY26 financial statements.

In addition, on 21 November 2025, the Group acquired the trade and assets of Onesys Limited. Because of the proximity to the date of signing these financial statements, no estimate of the financial impact can yet be made.

As part of these acquisitions, additional funding totalling a combined £35.4m was received.

28. Share based payments

The Group has a share scheme, where a number of employees were given C shares in Shin Topco Limited which will provide a potential return to the shareholders on exit (dependant on sale value). The scheme is accounted for as a cash settled share based payment arrangement under IFRS 2.

Total expense recognised in the profit and loss for the year ended 31 May 2025 was £4,608k (2024: £59k).

29. Controlling Party

The Group's ultimate parent undertaking and controlling party is a private equity investment fund advised by an affiliate of Sun Capital Partners, Inc.

30. Business Combinations

HMA Tax (international) Limited ("HMA")

On 12 June 2024 the Group acquired 100% of the issued share capital of HMA (company number **14529671**) at which point control passed to the Group.

HMA are a leader in the field of Capital Allowances claims, renowned for delivering significant tax relief to property owners across the UK. They have a robust foundation built on professional expertise and bespoke software, their team are committed to helping commercial property owners claim unclaimed tax relief and refunds through HMRC-approved capital allowances claims.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Book Value £'000	**Adjustments £'000**	**Fair Value £'000**
Fixture and fittings	28	-	28
Trade debtors	822	-	822
Unbilled revenue	245	-	245
Prepayments and other debtors	9	-	9
Cash and cash equivalents	(18)	-	(18)
Trade and other Creditors	(350)	-	(350)
Accruals	(165)	-	(165)
Deferred Taxation	-	(515)	(515)
Technology	-	1,872	1,872
Brand Intangible	-	188	188
Total identifiable assets acquired, and liabilities assumed	**571**	**1,545**	**2,116**
Goodwill			3,310
Total consideration			**5,426**

Satisfied by:

	£'000
Cash	2,704
Value of shares issued	216
Contingent Consideration	1,833
Deferred Consideration	673
Total consideration transferred	**5,426**

30. Business Combinations (continued)

Net Cashflow arising on acquisition

	£'000
Cash consideration	2,704
Less: cash and cash equivalent balances acquired	18
Net cashflow transferred	**2,722**

Goodwill of £3.3m arises from the acquisition and is attributable to the acquired business and the expected economies of scale from combining the operations of the Group and the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

The main factors leading to the recognition of goodwill are:

- Brand valuation captures the earnings power of the marketing-related intangible asset as it existed as at the acquisition date. The brand value is expected to increase in the future in line with further growth, which is captured within goodwill

- Identified intangible assets have limited useful lives, any going concern value towards perpetuity is attributable to goodwill

- The assembled workforce cannot be separately recognised from goodwill

139,106 ordinary shares were issued as part of the consideration paid for a value of £216,000 and a value of £1.55.

The earn-out arrangement requires management to achieve EBITDA earnings targets over 4 years post acquisition. The base earn-out payments will be sealed by the relevant EBITDA in any of the earn-out years divided by the base EBITDA. The potential undiscounted amount of all future payments that could be required is limited to £10,000,000.

Acquisition-related costs amount to c£85k.

HMA contributed £2.9m of revenue and profit after tax of c£500k for the period between the date of acquisition and the reporting date. There would be no material change to reported revenues and profit if the acquisition of HMA had been completed on the first day of the financial period.

Pinnacle Computing (Support) Limited ("Pinnacle")

On 29 October 2024 the Group acquired 100% of the issued share capital of Pinnacle Computing (Support) Limited (company number **NI026898**) at which point control passed to the Group.

Pinnacle are a leading UK-based technology solutions provider and Sage Business Partner, delivering cloud accounting, ERP, CRM, and managed IT services to SMEs across the UK and Ireland.

30. Business Combinations (continued)

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Book Value £'000	Adjustments £'000	Fair Value £'000
Plant & Equipment	14	-	14
Leasehold property	9	-	9
Fixture and fittings	50	-	50
Stock	31	-	31
Right of use assets	-	123	123
Trade debtors	4,070	-	4,070
Prepayments and accrued income	1,851	-	1,851
Cash and cash equivalents	6,222	-	6,222
Trade and other Creditors	(2,230)	-	(2,230)
Accruals & Deferred Income	(10,915)	-	(10,915)
Other Debtors	2,545	-	2,545
Lease liabilities	-	(237)	(237)
Current and Deferred Taxes	(166)	(5,992)	(6,158)
Customer Intangible	-	18,564	18,564
Brand Intangible	-	5,405	5,405
Total identifiable assets acquired, and liabilities assumed	**1,480**	**17,863**	**19,344**
Goodwill			40,266
Total consideration			**59,610**

Satisfied by:

	£'000
Initial cash	35,566
Settlement of directors' loan account	2,524
Shares issued	10,920
Contingent Consideration	10,600
Total consideration transferred	**59,610**

Net Cashflow arising on acquisition

	£'000
Cash consideration	35,566
Less: cash and cash equivalent balances acquired	(6,222)
Net cashflow transferred	**29,344**

Goodwill of £42.7m arises from the acquisition and is attributable to the acquired business and the expected economies of scale from combining the operations of the Group and the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

30. Business Combinations (continued)

The main factors leading to the recognition of goodwill are:

- Customer relationship and contract valuation capture existing customer relationships but excludes potential future relationships. The expectation of new relationships is included in goodwill
- The relationship with key suppliers such as Sage and Pinnacle's ranking as a partner of the suppliers is captured within goodwill. These relationships serve as key value drivers and would take years for a new entrant in the industry to establish.
- Identified intangible assets have limited useful lives, any going concern value towards perpetuity is attributable to goodwill
- The assembled workforce cannot be separately recognised from goodwill

7,032,581 ordinary shares were issued as part of the consideration paid for a value of £10,920,000 and a value of £1.55.

The earn-out arrangement requires management to achieve EBITDA earnings targets over 4 years post acquisition. The base earn-out payments will be sealed by the relevant EBITDA in any of the earn-out years divided by the base EBITDA. The potential undiscounted amount of all future payments that K3 Capital Group could be required to make is limited to £25,000,000.

Acquisition-related costs (included in administrative expenses) amount to £315k.

Pinnacle contributed £12.1m of revenue and £3.2m of profit before tax for the period between the date of acquisition and the reporting date. If the acquisition was made on the first day of the period being reported on the contribution to revenue and profit before tax would be £20.7m and £5.5m respectively.

Alphalogix Ltd ("Alphalogix")

On 5 April 2025 the Group acquired 100% of the issued share capital of Alphalogix (company number **03578420**) at which point control passed to the Group.

Alphalogix, founded in 1995 and headquartered in Chepstow, is one of the UK's largest Accredited Sage Business Partners, specialising in Sage ERP, CRM, and bespoke add-ons for SMEs and corporate clients.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	Book Value £'000	**Adjustments £'000**	**Fair Value £'000**
Plant & Equipment	57	-	57
Trade debtors	426	-	426
Prepayments and other debtors	861	-	861
Deferred income	(1,112)	-	(1,112)
Lease Liability	(22)	-	(22)
Cash and cash equivalents	124	-	124
Right of Use Assets	25	-	25
Deferred Tax	-	(250)	(250)
Trade and other Creditors	(151)	-	(151)
Accruals	(38)	-	(38)
Customer Intangible	-	1,000	1,000
Total identifiable assets acquired, and liabilities assumed	**170**	**750**	**920**
Goodwill			1,681
Total consideration			**2,601**

30. Business Combinations (continued)

Satisfied by:

	£'000
Initial cash	1,655
Settlement of directors' loan account	946
Total consideration transferred	**2,601**

Net Cashflow arising on acquisition

	£'000
Cash consideration	1,655
Less: cash and cash equivalent balances acquired	(124)
Net cashflow transferred	**1,531**

Goodwill of £1.7m arises from the acquisition and is attributable to the acquired business and the expected economies of scale from combining the operations of the Group and the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

The main factors leading to the recognition of goodwill are:

- Customer relationship and contract valuation capture existing customer relationships but excludes potential future relationships. The expectation of new relationships is included in goodwill

- Identified intangible assets have limited useful lives, any going concern value towards perpetuity is attributable to goodwill

- The assembled workforce cannot be separately recognised from goodwill

Acquisition-related costs (included in administrative expenses) were insignificant.

Alphalogix contributed c£450k of revenue and c£150k of profit before tax for the period between the date of acquisition and the reporting date. If the acquisition was made on the first day of the period being reported on the contribution to revenue and profit before tax would be c£2.7m and £900k respectively.

There are no earnout or additional "contingent" consideration that would be due in the future.