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24 April 2025

**InvestAcc Group Limited**

**Announcement of results for the six months ended 31 December 2024 and trading update for Q1 2025**

***InvestAcc announces strong trading for the year to 31 December 2024, following the completion of its first acquisition and announcing its second transformational transaction in Q1 2025, establishing a robust foundation for future growth.***

InvestAcc Group Limited ("InvestAcc", the "Company" or, together with its subsidiaries, the "Group"), a leading UK specialist pension administrator, is pleased to present the report and audited financial statements (the "Financial Statements") for the six month period to 31 December 2024.

During the six month period the Company completed the acquisition of InvestAcc Holdings Limited ("InvestAcc Ltd"), an award-winning provider of self-invested personal pension ("SIPP") and small self-administered scheme ("SSAS") services in the UK.

While the Company has owned the InvestAcc Ltd business since 9 October 2024, InvestAcc trading data in the relevant section is presented for the six month period to 31 December 2024. This is consistent with the accounting period in these financial statements and is intended to provide clearer information to shareholders relating to underlying performance of the acquisition.

**Mark Hodges, Executive Chairman of InvestAcc Group, commented:**

"We are pleased to present these financial results which, for the first time, include 3 months' trading performance of InvestAcc Ltd, evidencing our market position as one of the UKs leading SIPP and SSAS administrators.

Q1 2025 has also been an exciting time for our organisation, with the announcement of the acquisition of the Platinum SIPP and SSAS businesses from AJ Bell at the same time as experiencing strong organic growth.

With these foundations, we look forward to continuing our consolidation strategy, building a leading specialist pension administrator with a high-quality integrated business and a focus on excellent customer outcomes."

**3 Year Pro Forma Trading Summary for InvestAcc Ltd**

Given the change in year end date and the mid period completion of InvestAcc Ltd, we have produced unaudited three year pro forma trading summaries to provide clarity and year on year comparable business performance trends. InvestAcc Ltd continued to perform strongly in the 12 months ended 31 December 2024:

- Revenues increased 16.3% to £10.5m (FY23: £9.0m)
- Trading EBITDA growth of 15.7% to £4.2m (FY23: £3.7m)
- 17.7%<sup>[1]</sup> SIPP organic customer growth
- Trading EBITDA margin maintained above 40% through continued operational excellence
- Customer service quality levels 98.4% evidencing a continued focus on customer outcomes
- Recognition at key industry awards including the Defaqto Gold Award for Pension Service 2025

|                           | FY22       | FY23       | FY24        | FY24<br>YoY % |
|---------------------------|------------|------------|-------------|---------------|
| <b>£m</b>                 |            |            |             |               |
| Pension Administration    | 3.9        | 4.6        | 5.4         | 18.0%         |
| Financial Advice          | 2.2        | 2.2        | 2.4         | 10.8%         |
| Appointed Representative  | 1.0        | 0.9        | 0.9         | (1.7%)        |
| Treasury                  | 0.7        | 1.3        | 1.8         | 32.0%         |
| <b>Total Revenue</b>      | <b>7.8</b> | <b>9.0</b> | <b>10.5</b> | <b>16.3%</b>  |
| Operating costs           | (5.0)      | (5.3)      | (6.2)       | 20.6%         |
| <b>Trading EBITDA</b>     | <b>2.8</b> | <b>3.7</b> | <b>4.2</b>  | <b>15.7%</b>  |
| Group costs               |            |            | (1.4)       |               |
| <b>Group EBITDA</b>       |            |            | <b>2.8</b>  |               |
| Trading EBITDA margin     | 35.9%      | 40.7%      | 40.5%       | (0.5%)        |
| Group EBITDA margin       |            |            | 27.1%       | -             |
| Client retention          | 96.6%      | 95.1%      | 96.4%       | 1.4%          |
| Service quality           | 98.5%      | 96.1%      | 98.4%       | 2.4%          |
| No. of SIPPS (period end) | 8,740      | 10,177     | 11,974      | 17.7%         |

#### 6 Month P&L for the period ended 31 December 2024

The Group's trading data in this section is presented for the six month period to 31 December 2024. The P&L shows the audited revenue and costs for InvestAcc Ltd for the period 9 October - 31 December 2024, and audited costs for the Group for the full six month period.

- £2.5m revenue and £0.9m trading EBITDA, in line with expectations
- Group operating loss of £2.2m includes £0.5m depreciation/amortisation and £1.6m acquisition and integration costs
- Strong balance sheet with regulatory capital coverage 295%
- Cash after minimum regulatory capital £11.0m
- Deferred consideration of £6.2m paid in Q1 2025

|                               |              |
|-------------------------------|--------------|
| <b>£m</b>                     | <b>H2 24</b> |
| Pension Administration        | 1.3          |
| Financial Advice              | 0.6          |
| Appointed Representative      | 0.2          |
| Treasury                      | 0.4          |
| <b>Total Revenue</b>          | <b>2.5</b>   |
| Operating costs               | (1.6)        |
| <b>Trading EBITDA</b>         | <b>0.9</b>   |
| Group costs                   | (1.0)        |
| <b>Group EBITDA</b>           | <b>(0.1)</b> |
| Exceptional items:            |              |
| Acquisition costs             | (1.5)        |
| Integration                   | (0.1)        |
| <b>EBITDA</b>                 | <b>(1.7)</b> |
| Depreciation and Amortisation | (0.5)        |
| <b>Operating Loss</b>         | <b>(2.2)</b> |

#### Q1 2025 Trading Summary and Corporate Activity

We are pleased to report that the underlying business has performed well in Q1 2025 vs Q1 2024, during a period of significant activity. Total customer growth 20.6%

- Revenue growth 19.3%
- Successful platform upgrade to Delta Platinum Pro, migrating all SIPP customers and over 9.5m data points

- Announced the acquisition of the Platinum SIPP and SSAS businesses from AJ Bell for a maximum consideration of £25m, expected to complete in H2 2025 and projected to add over 3,500 customers.
- The Group has entered into a strategic relationship with Kartesia, a European asset manager specialised in private corporate lending, initially to fund the consideration for AJ Bell's Platinum SIPP and SSAS business and to act as a strategic partner for future M&A alongside equity funding.

## Outlook

**Inheritance Tax** - SIPPs remain one of the most tax effective retirement savings products, and tax year end 2025 has been our most successful in terms of new business volume. Pension Administrators are subject to legislative consultation regarding their role in IHT calculation, though we have not seen any changes in customer or adviser behaviour and do not currently anticipate any wider impact on our business model.

**Fees** - Underlying product fees have not been changed for the last five years. Management has undertaken a thorough market review across the various product types following which fees will be increased at the product plan anniversary date, commencing in H2 2025. The full annualised effect of these changes will not be felt until 2026. The products have been benchmarked and will remain highly competitive.

**Treasury Function** - The Group is making a strategic investment into developing a high quality Treasury Function. This is important for customers, ensuring that we can maximise the return on cash balances, which will then be shared with customers on a fair basis. The full year benefit of this is not expected to be felt until 2026. For the Company, this function will deliver sustainable high quality earnings and requires a one off exceptional investment of c£1m. We expect this to be implemented in H2 2025 and costs will broadly equate to H2 2025 revenue benefit.

**M&A** - The Board remain positive around the wider M&A pipeline. The credibility, experience and momentum driven by the Groups first two acquisitions has re-enforced the strength of the potential pipeline. Opportunities remain in all three target categories: specialist providers, life companies, and platforms, with over 100 providers in a fragmented market. Valuation expectations remain in the range of 5-8X EBITDA on a pre-synergy basis.

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## Chairman's Statement

### Introduction

We are delighted to present the report and audited financial statements (the "**Financial Statements**") for the six month period to 31 December 2024, for InvestAcc Group Limited (the "**Company**") consolidating the results of the Company and its subsidiaries (the "**Group**").

During the six month period the Company completed the acquisition (the "**Acquisition**") of InvestAcc Holdings Limited ("**InvestAcc**"), an award-winning provider of self-invested personal pension ("**SIPP**") and small self-administered scheme ("**SSAS**") services in the UK. In order to finance the acquisition, the Company successfully raised £30 million with institutional investors, demonstrating support for our strategy.

Following the Acquisition, the accounting reference date for the Company was changed from 30 June to 31 December, resulting in a shortened accounting period of 6 months, with the results of the acquired entity being included for the period

from 9 October to 31 December 2024. The comparative period presented in these Financial Statements is for the year to 30 June 2024.

### Group strategy and market opportunity

Our initial focus for growth is on the SIPP segment as we believe that the current market backdrop lends itself to a growing self-invested pensions market. The key drivers to market growth are:

#### 1. Changing population and demographics

In 2023 there were 21 million people aged 55 and over in the UK, and the number of people aged 65 to 79 is predicted to increase by 30% to over 10 million in the next 40 years<sup>3</sup>.

#### 2. Trapped and concentrated wealth

The value of UK household wealth was estimated at £10.9 trillion in 2023<sup>4</sup>, with 42% concentrated in pension assets and 36% in property. In 2020, average UK household wealth for those aged 55 to 64 was nine times higher than for those aged 25 to 34<sup>5</sup>.

#### 3. Increasing family reliance

In 2023, 57% of UK mortgaged first-time buyers received support from their families. This support is expected to total £30 billion between 2024 and 2027<sup>6</sup>.

#### 4. Inter-generational wealth transfer

The Directors expect to see an unprecedented level of inter-generational wealth transfer in the coming decades. On a global basis, almost 680,000 individuals with over 5 million in net worth will transfer 18.3 trillion in combined wealth by 2030, with approximately £7 trillion passing between generations in the UK<sup>7</sup>.

#### 5. Regulatory pressure in the UK SIPP market

A push for higher levels of consumer duty and consumer care, as well as vendor needs are driving the UK SIPP sector to actively consolidate. Life companies and platforms account for over 80% of the "Simple" SIPP market, but the "Full" SIPP market - serviced by specialist firms - is much more fragmented. The top five UK SIPP administrators account for just 46% of total assets under administration ("AuA") and 40% of total plans. The market leader has just 12% of total AuA, with over 25 firms operating in the market.

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<sup>3</sup> Centre for Ageing Better, "The State of Ageing 2023-24"

<sup>4</sup> Office of National Statistics, "National balance sheet estimates for the UK: 2024"

<sup>5</sup> Social Mobility Commission, "State of the Nation: Level of Wealth", September 2023

<sup>6</sup> Savills, "Bank of mum and dad", 16 August 2024

<sup>7</sup> Wealth-X, "Preservation and Succession: Family Wealth Transfer 2021"

The fragmented supply side of the SIPP market creates a structural opportunity for inorganic growth. We intend to deliver our strategic goal through a combination of focussed M&A and strategic partnerships, facilitated through the acquired InvestAcc operating group.

### Acquisition of InvestAcc

We believe that the InvestAcc operating group provides the optimal strategic platform to create value through a SIPP "buy and build" strategy. The business benefits from being a leading UK personal pension administrator, having a proven track record of delivering exceptional customer service, scalable operations and infrastructure, a strong financial profile and a sustainable organic growth trajectory.

InvestAcc is a business with a loyal and growing customer base. With a greater focus on savings, changing demographics and a growing opportunity presented by the inter-generational wealth transfer referred to above, the pensions administration industry plays an important role in securing financial independence and security for customers over the long term.

I am delighted to formally extend a warm welcome to the talented team of over 100 employees at InvestAcc, with whom we have worked closely since the Acquisition completed in October 2024. As set out in the CEO report below, the InvestAcc team have already demonstrated their expertise, passion and commitment, having been recognised again for the high-quality service they deliver. All of the management team, including the founder, have remained within the business since completion, with the business remaining in Carlisle, and we look forward to working with the whole team as we execute our strategy.

### Delivering our Buy And Build strategy

In the period since the completion of the Acquisition on 9 October 2024, the acquired operations of InvestAcc have performed well, continuing to deliver on their planned growth targets in terms of revenue, number of pension schemes and assets under administration, and with customer retention rates continuing to exceed 96%. Further details are included in the CEO Report below.

We remain focussed on our goal to create the UK's leading specialist pensions administration business in the public markets. We have continued to develop a strong pipeline of acquisition targets to build on the excellent platform provided by InvestAcc. We have identified a number of further SIPP acquisition opportunities which have been developed through the Directors' deep industry ties and reputation. Management are in active discussions with vendors in respect of numerous potential targets under NDA and could deliver significant inorganic AuA and customer growth in 2025 and 2026. The Board

are in regular dialogue with vendors and their advisers, often on a bilateral rather than competitive basis.

In March 2025 we were delighted to announce our second major acquisition, AJ Bell's "Platinum" SIPP and SSAS business ("Platinum"). The Platinum business provides bespoke, high-quality pensions expertise and SIPP and SSAS administration to high net worth ("HNW") customers. At the end of 2024 the business had assets under administration of £3.2 billion across 3,562 accounts, and a HNW client base reflected through an average SIPP account size of approximately £670k. This transaction is expected to complete in the second half of 2025 following the migration and integration of the Platinum clients onto InvestAcc's platform, strengthening our position as a market leader in "Full" SIPP pension administration. The acquisition will be funded through a new, £25 million credit facility from Kartesia, a specialist provider of capital solutions. This facility also has the ability to scale and support the wider Group acquisition strategy in future.

#### Governance and Board appointments

To support our "buy and build" strategy we committed to significantly enhance the Company's Board and governance arrangements. I am pleased to report that shortly following completion of the Acquisition we recruited three highly experienced independent Non-Executive Directors ("INEDs"), one taking the position of Senior Independent Director ("SID"). We have adopted the UK Corporate Governance Code and established five Board committees: Audit Committee, Risk Committee, Remuneration Committee, Nomination Committee and Disclosure Committee.

We also strengthened the management team in 2024 through the appointment of both a Chief Risk Officer ("CRO") and Chief Commercial Officer ("CCO").

Pages 27 and 28 of this report sets out information on the Company's directors, including a brief overview of their skills and experience.

In pages 21 to 26 of this report, an overview of the Company's governance arrangements is set out, including an explanation of areas of non-compliance with the UK Corporate Governance Code.

Pages 29 to 37 include a report from each of the Board committees, setting out their roles and responsibilities, an overview of the activities they have each undertaken in the short period since their establishment, and a description of their areas of focus for 2025 and beyond.

More recently, the Company has announced the appointment of Vinoy Nursiah as Group Chief Financial Officer ("CFO") and an Executive Director. Vinoy joined the Group on 1 April 2025 and brings a wealth of experience to the role, with a proven track record of driving financial performance, operational excellence and strategic transformation. He will be instrumental in supporting the Company's ambitious growth plans through both organic growth and further M&A. Vinoy was previously CFO at Kingswood Holdings Limited, a publicly quoted wealth management business, and before that was CFO at CSC Global Financial Markets, a global provider of specialised administration services. Vinoy will assume responsibility for the Group's overall financial strategy, performance and reporting. Working alongside the rest of the Board, he will play a pivotal role in shaping and delivering the Group's strategic objectives, ensuring our financial strength and operational agility. In the interim period until Vinoy commenced his role, the Company appointed Marcus Holburn as interim CFO who has supported the Board of Directors by overseeing the Group's financial operations and supporting the annual financial reporting process.

#### Environmental

We are cognisant of the importance of building an environmentally sustainable business and remain committed to developing a comprehensive ESG strategy that aligns with our business values, the expectations of our stakeholders, and the evolving regulatory and societal landscape. Having only completed the acquisition of InvestAcc in October 2024, we are at the start of this journey, and are currently considering how environmental factors may be incorporated into our longer-term business planning.

#### Looking forward

With a greater focus on savings, changing demographics and a growing reliance on the family, the pensions administration industry plays an important role in securing financial independence and security for customers over the long term. Completing the Acquisition of InvestAcc provides us with an excellent platform from which to continue to execute our "buy and build" strategy. With strategic appointments to both the Board and operational team, and a strong pipeline of acquisition opportunities, we are well positioned to move at pace.

As we look forward to the opportunities and challenges ahead, I want to thank our shareholders, customers, employees and our wider team of advisers for all their support and hard work over the last six months. Together we are well positioned to continue to execute our strategy.

#### Mark Hodges

## CEO Statement

### Introduction

The past year has been transformative for the Group, having completed the Acquisition of our platform business InvestAcc, and made a number of key hires across our executive and senior management team. This report highlights our achievements and operational milestones as we look ahead to executing our strategy, to become the UK's leading specialist pensions administration business.

### Strategic progress

We completed the Acquisition of InvestAcc on 9 October 2024. InvestAcc was founded in 1992 by CEO Nick Gardner as DHC Brokers Ltd. The business is now a leading UK personal pension administrator, having a proven track record of delivering exceptional customer service, scalable operations and infrastructure, a strong financial profile and a sustainable organic growth trajectory. All of the management team, including the founder, remain with the business.

InvestAcc has two principal subsidiaries, InvestAcc Pension Administration Limited (**IPA**) and Vesta Wealth Limited ("**Vesta**").

IPA offers SIPP and SASS products distributed primarily through Independent Financial Advisers (**IFAs**) throughout the UK, with over 1,000 supporting advisers. With the exception of UK fixed term deposit accounts, IPA does not accept any new non-standard assets into any of its schemes. IPA's flagship plan is the "Minerva SIPP", which is a full SIPP allowing investment in any permitted standard asset. The "SIPP Lite" scheme is a lower cost, simpler SIPP and allows investment in a single investment, such as a discretionary fund manager portfolio plus a bank account.

Vesta is a Chartered Financial Planner that offers holistic advice to a wide range of customers. It provides initial and ongoing advice under service agreements with over £450 million of AuA.

InvestAcc has capacity within its current offices, employees and back office functions to absorb further bolt-on acquisitions with limited follow-on investment. We have identified and engaged with further potential acquisition targets and are actively building our pipeline of opportunities with initial focus on those transactions that are both attractively priced and operationally deliverable.

### Key management hires

During the period we've made a number of senior management appointments, including the appointment of Allan Dibble as CCO and James Keely as CRO.

As CCO, Allan is responsible for leading M&A and integrations for InvestAcc Group. He brings over 20 years' experience in post-merger integration and strategic transformation in financial services, primarily in the life insurance, savings and retirement sectors. As CRO, James leads the Group's risk, governance and regulatory work, leveraging his experience within the financial services sector.

As we transition into the new phase of growth, we will build out a target operating model that supports our ambitious growth plans. The Group continue to work closely with the InvestAcc team in Carlisle to support the business in delivering yet further organic growth and continuing to deliver exceptional customer service. Therefore, in addition to the recruitment of Allan and James, we have also made a number of other key hires across our central management team who have joined the business in recent months. These appointments further strengthen our central management team, providing us with the experience, expertise and capacity to deliver on our strategy.

### Business highlights

InvestAcc has continued to perform strongly since its acquisition by the Company in October 2024. The number of active pension schemes reached 12,467 at the end of December 2024, an increase of 8.3% in the six month period, with AuA of £5.4 billion at the same date. More details are included in the Management Report.

### Market Recognition & Achievements

InvestAcc received market recognition of the high-quality service provided to its clients, with InvestAcc having its most successful year to date at the ILP Moneyfacts Awards 2024. InvestAcc won both the Moneyfacts **Best SIPP Provider** award for the fifth time, as well as winning the **Best Pension Service** provider award for the fifth year running. InvestAcc was also awarded Highly Commended in the category of **Service Beyond the Call of Duty**.

This service quality underpins the focus of the Company as it seeks to execute its "buy and build" strategy.

The high-quality service InvestAcc provides its clients was further recognised in November when InvestAcc

The high-quality service InvestAcc provides its clients was further recognised in November when InvestAcc won five stars at the **Financial Adviser Service Awards2024**. This was the seventh year, out of the last eight years, where InvestAcc has received a five-star service award at the Financial Adviser Service Awards. These awards demonstrate the strong customer focus at the heart of InvestAcc's purpose and culture.

**Market and industry overview**

As the Chair has noted above in his report, there are many attractive acquisition opportunities available to the Company. Regulatory focus on customer outcomes supports the consolidation of non-core books of business where exceptional customer service can be delivered through the provision of appropriate systems, controls and compliance oversight. The historic fragmentation of individual providers and, in many cases, smaller, owner managed businesses, provides an opportunity for us to retain our customer centric focus whilst utilising a more centralised operational infrastructure. We are excited by the nature and extent of opportunities that sit firmly within our M&A universe, and we look forward to sharing more detail with shareholders over the coming months.

**Summary and outlook**

The last six months have seen the business transition from a conceptual strategy to an operating business with clear ambition and strategic opportunity. I am genuinely proud of what the Group has achieved and would like to take this opportunity to thank the entire team, including all of the InvestAcc staff, for their hard work and commitment in achieving what we have to date. This is however the beginning for the Group. Looking ahead, we are now focused on ensuring that we can deliver our ambitious growth plans and build the Group's operational capabilities, enabling us to succeed for the benefit of our customers and shareholders.

**Will Self**

**CEO**

**23 April 2025**

**Management Report**

**Financial performance in the period**

Prior to the Acquisition of the InvestAcc business on 9 October 2024, the Group was a cash shell and was not revenue generating. The Company has not owned the InvestAcc business for the entire six-month period to 31 December 2024 and therefore trading data in this section is presented for the period from 9 October 2024 to 31 December 2024. This is consistent with the accounting period in these financial statements and is intended to provide clearer information to shareholders.

**Revenue and Profitability:**

The Group's income totalled £2.5m in the six months to 31 December 2024 (year to 30 June 2024: nil). This was entirely generated by InvestAcc in the short period from the Acquisition to the period end. Pension administration services and wealth management fees accounted for 54% and 23% of total income, respectively.

The Group's earnings before interest, tax, depreciation and amortisation ("**Group EBITDA**") in the period amounted to a loss of £0.1m (year to 30 June 2024: loss of £3.9m). InvestAcc's trading contribution to Group EBITDA for the period ("**Trading EBITDA**") was a profit of £0.9m.

The Group incurred non-recurring, exceptional costs of £1.6m in the period relating to the Acquisition and Integration of InvestAcc and development of the Group function, and depreciation and amortisation charges of £0.5m in the period, primarily relating to the intangible assets associated with the Acquisition. These are classified as Administration Expenses in the Group's Statement of Comprehensive Income. After deducting these items, the Group generated an operating loss of £2.2m in the period (year to 30 June 2024: operating loss of £3.9m).

The table below shows each of the items described above.

| Component      | Definition  | Six months to 31 December 2024                        |
|----------------|---|---|
| Trading EBITDA | Core EBITDA from ongoing, underlying pension administration and associated services | £0.9m<br><i>Only includes period post-Acquisition</i> |
| Plc Costs      | Corporate costs of the listed vehicle, including governance, investor relations     | (£1.0m)   |

|                   |   |                |
|-------------------|---|----------------|
|                   | and staff costs for group functions   |                |
| Group EBITDA      | Trading EBITDA less Plc Costs   | <b>(£0.1m)</b> |
| Integration Costs | Costs incurred to integrate acquired businesses   | (£0.1m)        |
| Acquisition Costs | Fees and one-off costs associated with executing M&A transactions                                 | (£1.5m)        |
| EBITDA            | Group EBITDA less the sum of Integration Costs, Acquisition Costs and any other exceptional items | <b>(£1.7m)</b> |

|                               |  |                |
|-------------------------------|--|----------------|
| Depreciation and amortisation | Charges for depreciation and amortisation, including the amortisation of the intangible assets associated with the Acquisition | (£0.5m)        |
| Operating profit / (loss)     | EBITDA less depreciation and amortisation  | <b>(£2.2m)</b> |

#### Customers and Assets Under Administration:

The Group's pension scheme AuA at the period end totalled £5.4 billion, this represents an increase of 10.8% in the six months to 31 December 2024.

The growth in AuA has been driven by steady increases in our customer base. The number of InvestAcc's active SIPP and SSAS schemes increased by 951 (8.3%) in the period, to 12,467 as at 31 December 2024.

Customer retention rates have remained strong during 2024, at a rate of 96.5% for InvestAcc's SIPP product in the six-month period to 31 December. InvestAcc's service quality scores for all SIPP and SSAS schemes were 98.5% over the same period, reflecting InvestAcc's ongoing focus on providing excellent service to its customers.

#### Funding and Liquidity:

The Acquisition was partly funded via a £30 million institutional placing and subscription (effective 4 July 2024) and the issue of 6,150,911 ordinary shares ("**Consideration Shares**"). In addition to this, the remaining consideration was to be delivered through a deferred cash payment of £6,150,911, of which £6,150,911 has been paid since 31 December 2024 as detailed in Note 33.

The Group maintains a strong liquidity position, with cash and cash equivalents of £13.4m at 31 December 2024 (30 June 2024: £6.5m).

#### Capital and Reserves

As mentioned above, the Company raised £30 million from institutional placing and subscription in the period. Shareholder Funds grew from £1.8m at 30 June 2024 to £40.3m at period end.

The Group's regulatory capital reserves for its regulated subsidiaries are continually monitored. At 31 December 2024, in aggregate, surplus capital balances in the Group's regulated entities amounted to 295% of the capital requirement.

#### Key Performance Indicators

The Group uses Key performance Indicators ("**KPIs**") to measure and report progress against our strategic objectives. These KPIs are reviewed at least annually, and the primary measures are shown below.

Group KPIs are shown here for the 6 month period to 31 December 2024. Comparative numbers are shown for the preceding 12 months to 30 June 2024, to align with the mandatory prior period disclosure in the Group financial statements.

| Group KPIs                                    | Six months to 31 December 2024 | Year to 30 June 2024 |
|---|--------------------------------|----------------------|
| Total revenue £000s                           | 2,532                          | Nil                  |
| Operating (loss) / profit £000s               | (2,242)                        | (3,909)              |
| Basic earnings per share £                    | 0.0298                         | (0.2339)             |
| Net cash flow from operating activities £000s | (3,368)                        | (2,315)              |
| Regulatory capital coverage*                  | 295%                           | n/a                  |

*\*Average of the surplus capital in the Group's regulated entities, above the regulated capital requirement, at the period end date.*

The Group also uses Trading KPIs to monitor InvestAcc's operational performance, these are shown below.

Whilst the Company has owned InvestAcc since 9 October 2024, trading KPIs are shown here for their month



Whilst the Company has owned NIVESTAR since 9 October 2024, trading KPIs are shown here for the six-month period to 31 December 2024, which is consistent with the accounting period in these financial statements, and with pre-acquisition, comparator data for the preceding six months. This intended to provide clearer information to shareholders.

| Trading KPIs                        | 6 months to<br>31 December 2024 | 6 months to<br>30 June 2024 |
|-------------------------------------|---------------------------------|-----------------------------|
| Assets Under Administration £000s** | 5,396                           | 4,872                       |
| Number of active pension schemes**  | 12,467                          | 11,516                      |
| Customer retention                  | 96.5%                           | 96.4%                       |
| Service quality**                   | 98.5%                           | 96.1%                       |

\*\* SSIP and SSAS schemes at period end.

## Treasury

The Group has adopted a treasury policy which is designed to maintain a strong liquidity position for its operational and growth requirements whilst also optimising the return on surplus funds. The treasury policy includes measures to mitigate financial risks, such as interest rate risk and credit risk, by diversifying investments and using financial instruments prudently. The policy is designed to ensure the Group meets legal and regulatory requirements in respect of capital and liquid assets.

In 2025 the Group has committed to a significant investment in its treasury capability. This will provide improved returns as well as operational efficiencies, for the benefit of the Group and its customers.

## Dividends

The Board recognises the importance of dividends to investors, both as a key component of shareholder value creation and as a discipline on the business of the Company and the Group. The Company intends to adopt a progressive dividend policy at a time that the Group has capital available to return to shareholders.

The Acquisition was completed on 9 October 2024 and in March 2025 the Group has also announced the Acquisition of AJ Bell's Platinum book. The Group therefore plans to invest surplus capital to complete the Acquisition and integration of these businesses, in organic growth and further acquisitions in the coming months. The Board will continue to consider the retention of sufficient capital for investment in the Group's ongoing growth, before announcing a dividend policy and proposing any dividend payment.

## Statement of Going Concern

These Financial Statements have been prepared on a going concern basis, which assumes that the Company and the Group will be able to continue their operations and meet their liabilities as they fall due. The Directors have considered the financial position of the Company and the Group, and have reviewed forecasts and budgets for a period of at least 12 months from the date of approval of these Financial Statements.

The Directors have considered the impact of the proposed acquisition announced of the AJ Bell Platinum book in March 2025, including the associated funding and its impact on the Group's future liabilities and cash flows. Should completion of this acquisition occur as planned, the Group has sufficient resources to complete the Acquisition and operate the enlarged Group. Should completion of this acquisition not occur, the Group has sufficient resources to continue delivering its strategy through other M&A opportunities.

At 31 December 2024 the Group had net assets of £40.3m (30 June 2024: £1.8m) and cash balances of £13.4m (30 June 2024: £6.5m).

The Directors have also considered the macro environmental factors impacting the UK economy and the Group's target market, in making their assessment of the Group's ability to continue as a going concern.

Based on their review, the Directors believe it is reasonable to expect the Company, and the Group, will be able to continue operations and meet their liabilities as they fall due. The Directors have concluded that there are no material uncertainties related to the going concern status of the Company or the Group and therefore these Financial Statements have been prepared on a going concern basis.

## Viability Statement

In accordance with provisions of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company and the Group over a three-year period. This assessment has been made taking into account the current position of the Group, the principal risks facing the business, and the effectiveness of any mitigating actions. This assessment has been made with reference to the Group's strategy, cash flow forecasts and financial position, as well as its ability to meet both short-term and long-term liabilities.

The Directors believe that the Group is well-positioned to continue operations over the next three years. Key factors influencing this conclusion include:

- Balance sheet strength: the Group has a strong balance sheet with adequate liquidity and cash reserves.
- Robust business model: the Group has a well-defined strategy supported by a compelling market opportunity.
- Risk mitigation strategies: the Group has identified and is actively managing its key risks, including financial, operational, and market risks.
- Stress testing: the directors have performed scenario analyses and stress tests, considering severe but plausible adverse conditions. In these scenarios the Group maintains its ability to meet its obligations as they fall due.

Based on this assessment, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

## Risk Management

### Risk culture

There is a strong risk aware culture across the Group, which is based on open communication, transparency, informed decision making, leadership and clear accountabilities.

The Group takes a proactive approach to risk management with processes that are embedded within the organisation. These are supported by a strong compliance function which communicates, advises and supports the business in applying the risk and compliance framework and supporting policies and procedures. This includes developing and implementing computer-based training and in-person training, where appropriate. Consumer Duty has been embedded across the business, ensuring that consistently positive customer outcomes remain integral to all processes.

### Risk appetite

In order to support our growth plans, the Group's risk appetite framework will be enhanced to provide further comfort that key risks are identified, monitored and controlled. This will help to ensure that the Board remains actively engaged, and will outline the boundaries of acceptable risk taking for each risk category and highlight where there is a greater or lesser appetite for risk. This includes acceptable limits within which the Group will operate, with the aim of achieving its corporate objectives, with corresponding controls and key risk indicators.

## Governance

The principal risks faced by the Group have been fully assessed and form part of the comprehensive group risk register, which is reviewed and updated by the Risk Committee at each meeting and summaries presented to the Board as required. The risk register sits alongside the risk and compliance oversight activity, which is reported to monthly governance meetings, the Risk Committee and to periodic Board meetings. Appropriate controls and mitigating actions have been identified and are tracked through the governance meetings. Where further actions are identified, they are tracked by management through to completion.

### Risks and uncertainties (including emerging risks)

The Board is committed to further enhancing the Group's risk management framework in order to support the strategic plans for growth. This will ensure that the business continues to identify new and emerging risks and put in place an effective mitigation activity.

Whilst we are proactive in identifying emerging risks and changes to the profile of existing risks, there remain a number of potential risks to the Group that could impact the ability to successfully deliver the Group's strategy. Emerging risks are primarily identified through horizon scanning from an external perspective and customer and staff engagement internally. Once potential risks are assessed, mitigating actions are agreed and, where appropriate, these risks are added to the risk register and tracked through the governance structure. The principal risks and uncertainties facing the Group are outlined below, along with the mitigating actions and controls.

| Risk category                      | Key Risk  | Mitigating actions and controls  |
|------------------------------------|---|--|
| <b>Strategic risk</b>              | The Group may be unable to obtain the additional funding needed to implement its organic and inorganic growth strategy.   | Sustainable and managed growth through M&A is a critical element of the growth strategy for the business. The business intends to seek additional sources of financing (equity and/or debt) to implement its strategy and has recently secured a committed acquisition facility from Kartesia. The facility will be used to finance the recently announced AJ Bell Platinum acquisition, with further ability to scale and support the wider Group acquisition strategy in future. This is complemented by a programme of enhancements to support organic growth and existing customers through regular reviews of the proposition, service and pricing. |
| <b>Legal &amp; Regulatory risk</b> | There is a risk that a significant regulatory change may be introduced that would have a detrimental impact upon the business model of the Group. In addition, if unexpected regulatory or legal changes are introduced at short notice, or if the implementation of regulatory change is not managed in an effective manner, this could impact the capital and regulatory position of the Group in the short term. | The Group undertakes horizon scanning on an ongoing basis to ensure all legislative and regulatory change is assessed and highlighted to the Board for consideration. The Compliance team are responsible for overseeing all aspects of regulation and the introduction of regulatory changes. This is supported by the implementation and management of relevant policies and procedures and maintaining an effective risk and control environment.   |

| Risk category           | Key Risk   | Mitigating actions and controls  |
|-------------------------|--|--|
| <b>Operational risk</b> | <b>People risk:</b> The risk that the Group fails to attract, retain and develop key employees and there is inadequate experience or resource. This could impact service and lead to poor customer outcomes and reputational damage. | A continuous schedule of steady recruitment has been in place for some time to support organic growth and to allow sufficient time for training. In order to support the plans for further M&A activity, the Group has enhanced its recruitment processes further in order to attract the best possible talent.  |
|                         | <b>Conduct risk:</b> The risk that the Group's actions or culture does not support the fair treatment of customers.  | Delivering great customer outcomes is fundamental to our purpose and culture. The customer is central to any changes and enhancements that we make, and this is further evidenced through our approach to Consumer Duty and the associated standards and metrics.  |
|                         | <b>Information security risk:</b> The risk of an incident that affects systems or the infrastructure (including third party) and leads to customer harm, a loss of data or reputational damage.                                      | We continually review our information security with our third-party suppliers to ensure data is protected and systems remain secure. To mitigate the third-party supplier risk, the Group conducts due diligence and monitors performance.   |
|                         | <b>Customer investment risk:</b> The risk that higher risk customer investments fail, causing consumer harm, claims against the Provider and reputational damage.  | The Group allows Commercial Property investment, but only certain standard categories are permitted, and the property management is subject to a robust control framework. Non-Standard Assets ("NSA") are no longer permitted and only an extremely limited number of customers hold legacy NSA.  |
|                         | <b>Financial crime risk:</b> The risk that customers and/or the Group are a victim of financial crime, including anti-money laundering, terror financing, cyber crime and fraud.   | The Group operate extensive controls to mitigate the risk of financial crime, including thorough policies, procedures, due diligence, screening and training (at outset and ongoing).  |
|                         | <b>Advice risk:</b> The risk that the Financial and/or Investment advice provided by Vesta Wealth Ltd or InvestAcc Ltd leads to customer harm, claims against the business and reputational damage.                                  | Whilst there is inherent market risk, we operate extensive controls and oversight to mitigate the risk of poor advice. Defined Benefit transfer advice is only provided by Vesta Wealth and in limited circumstances and the vast majority are excluded as unsuitable at the initial triage stage. An independent third-party compliance firm also checks all files prior to completion of the advice process. Investment advice does not extend to high-risk investments. |

| Risk category  | Key Risk   | Mitigating actions and controls  |
|----------------|--|--|
| Financial risk | <b>Inflation Risk:</b> Inflation risk is the risk that the value of the Group's assets and revenue streams will be eroded by inflation.                        | We manage this risk through regular reviews of our revenue streams and customer charges.   |
|                | <b>Market Risk:</b> Market risk arises from fluctuations or volatility in capital markets, interest rates and customer confidence.                             | For the pension business, market risk is primarily borne by the underlying customers as InvestAcc fees are fixed sterling charges. We manage this risk across the non-pension business through diversification and by regular monitoring of market conditions.<br>The acquisition facility is exposed to interest rate risk if rates increase. We are planning on a low leverage to mitigate exposure. |
|                | <b>Credit Risk:</b> Credit risk arises from the possibility that customers, market counterparties or banks used by the Group may default on their obligations. | We mitigate this risk through contractual agreements with our customers, by setting credit limits, and by conducting thorough due diligence on our counterparties.   |
|                | <b>Liquidity Risk:</b> The risk that the Group does not have readily realisable financial resources to enable it to meet its obligations as they fall due.     | Liquidity risk is managed by maintaining a balance of liquid assets and monitoring cash flow forecasts, to ensure the Group and its subsidiaries have sufficient realisable resources to meet their obligations as they fall due.  |

#### Internal control framework

The Group maintains a robust internal control framework that encompasses detailed policies and procedures across all functions, and continuous monitoring of compliance with regulatory requirements. Our internal controls are designed to identify and manage risks effectively, to ensure compliance with applicable laws and regulations, and to provide reliable financial reporting and operational processes.

The Group's monitoring of KPIs relating to service standards, service performance, complaint levels and consumer outcomes all support the assessment that InvestAcc's administrative controls are effective. These KPIs are reported to and overseen by the relevant subsidiary Boards. Whilst the existing governance and control processes are proportionate for the current business, there is a commitment to enhance the risk, governance and control framework further in 2025 in order to support the Group's growth plans.

The financial control framework includes robust financial policies and procedures, oversight by the Group of each subsidiary's financial operations and performance, and continuous monitoring of compliance with regulatory requirements. Since the Acquisition of the InvestAcc businesses in October 2024, an increased level of third-party day to day accounting support has been provided. In addition, further financial controls have been implemented in banking, payroll and management reporting in line with the Group's policies.

As at the balance sheet date we have not identified any material controls which have not operated effectively and there were no material issues previously reported.

As highlighted under risks and uncertainties, emerging risks are primarily identified through horizon scanning from an external perspective and customer and staff engagement internally. Once potential risks are assessed, mitigating actions are agreed and, where appropriate, these risks are added to the risk register and tracked through the governance structure. Given the information included in this report covering risk management and the Group's internal control framework, the Board are satisfied that the Group has in place effective material controls as at the 31 December 2024.

#### Chairman's introduction to Governance

##### Introduction

The following pages set out our approach to governance and how the Board and its committees operated during the six month period to 31 December 2024.

The Directors are responsible for the Company's day to day management, which includes, among other things, formulating strategy and policies, and setting and achieving the Company's objectives. Each Director has a duty to the Company in exercising their powers or performing their duties to act honestly and in good faith

... duty to the Company in exercising their powers or performing their duties, to act honestly and in good faith and in what the Director believes to be in the best interests of the Company and for a proper purpose. From the date of appointment of the INEDs on 16 October, the Board established committees to support the Board. Further details of these committees, their responsibilities and activities in the period are set out within these Financial Statements.

The Board is responsible for the governance structure of the Company, and we believe that our clear governance framework enables the Board to operate effectively and support the delivery of the Company's strategy.

#### **Our Board**

We believe it is important that we have the right balance of skills, knowledge and experience on our Board to lead the Group.

On 16 October 2024, we announced the appointment of three INEDs: Giovanni Castagno, who has assumed the role of Senior Independent Director, Helen Copinger-Symes, who has assumed the role of the workforce director, and Martin Potkins.

These appointments strengthen the Company's governance arrangements and provide the Board with highly credible and experienced independent Directors who provide expertise in areas critical to the Company as it seeks to execute its stated strategy.

On the appointment of the three INEDs, the Board adopted the UK Corporate Governance Code and established the Board Committees. Further details on our compliance with the UK Corporate Governance Code is included within the Governance Report.

#### **Our Culture**

The Board is responsible for establishing the Company's culture and assessing and monitoring how the desired culture has been embedded.

We foster a culture of openness, transparency and trust to facilitate an environment where ideas, opportunities and challenges are freely and constructively discussed and where every member of the team is empowered to contribute to our success. We are driven by achieving our stated strategy and delivering the best outcomes and services for our customers and all our stakeholders, including our customers and our shareholders.

During the Acquisition process, we met regularly with the InvestAcc management team. Throughout these initial interactions, it was clear that InvestAcc's corporate culture is very much aligned with our own: one of integrity and focus on delivering the highest quality of service to customers. This is demonstrated through InvestAcc's exceptionally high customer retention rate and multiple industry awards.

We believe that our culture provides us with the foundation upon which we will continue to build as a firm, creating an environment for people to thrive and whereby we will continue to grow, innovate and excel.

Helen Copinger-Symes in her role as Designated Workforce Director will, through her interactions with the Board, executive management and the wider team, better understand how culture is embedded throughout the Group and provide a conduit to ensure that culture aligns with the Company's strategic ambitions.

#### **Our Governance Structure**

Our governance framework and a clear division of responsibilities enables the Board to operate effectively, fulfil its responsibilities and provide valuable oversight.

Whilst the Board reserves certain responsibilities which are set out in the matters reserved for the Board, day to day management of the Group has been delegated to the Group Chief Executive Officer, who is supported by the Executive Committee.

The Board has established five Board committees (an Audit Committee, a Risk Committee, a Nomination Committee, a Remuneration Committee and a Disclosure Committee) which operate under Terms of Reference which are available on our website at: <https://investaccgroup.com/about-us/Corporate-Governance/default.aspx>

The Composition of these committees is as follows:

|                        | Audit Committee | Risk Committee | Nomination Committee | Remuneration Committee | Disclosure Committee |
|------------------------|-----------------|----------------|----------------------|------------------------|----------------------|
| Mark Hodges ▲          |                 |                | ●                    |                        | ●                    |
| Will Self              |                 |                |                      |                        | ●                    |
| James Corsellis        |                 |                |                      |                        | ●                    |
| Martin Potkins         | ●               | ●              | ●                    | ●                      | ●                    |
| Giovanni Castagno ★    | ●               | ●              | ●                    | ●                      |                      |
| Helen Copinger-Symes ● | ●               | ●              | ●                    | ●                      |                      |

- ▲ Chairperson of the Board
- ★ Senior Independent Director
- Designated workforce director
- Committee Chair
- Committee Member

I am the Chair of the Board, the Senior Independent Director (**SID**) is Giovanni Castagno, and the Designated Workforce Director is Helen Copinger-Symes.

The roles and responsibilities of the Chair, the SID, the Designated Workforce Director, each of the committees, the CEO and management of the underlying operating business, have been set out in writing and agreed with the Board and are set out in the roles and responsibilities document which is reviewed on an at least an annual basis by the Board.

The Disclosure Committee is set up to ensure accurate, timely, and compliant communication of material information to stakeholders, in compliance with our obligations under MAR and overseeing the process by which information that is likely to have a significant impact on the Company's financial instruments is disclosed publicly.

The roles and responsibilities for each of the Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee are set out in pages 29 to 37 of these Financial Statements.

An overview of the roles and responsibilities of the Board, SID, Designated Workforce Director and Company Secretary are included in the Governance Report.

#### My Role as Chair

As the Chair, I provide leadership to the Board, ensuring its effectiveness and alignment with the company's purpose, values, and strategy. I set the Board agenda, with a focus on strategy, performance, and accountability, while fostering a culture of openness, integrity, and constructive debate.

I oversee the Company's governance framework, ensuring it aligns with best practices and supports value creation. Through effective leadership of Board meetings, I facilitate collaboration amongst the directors, and ensure decisions are well-informed and timely. I also strive to collaboratively manage relationships with the CEO, other Directors, and key stakeholders, promoting trust, respect, and mutual understanding.

We are conscious of the need to continue to assess and monitor the composition of the Board and regularly review and reconsider a skills matrix to ensure that the Board is fit for purpose for the Group's activities as they are now, and as they evolve. Once the current Board has worked together for a period of time, we will consider the best method of assessing Board effectiveness and areas where Board interactions or composition can be further improved or enhanced.

Stakeholder engagement is central to the role, and we are committed to maintaining regular dialogue with shareholders, employees, and other stakeholders to understand their concerns and ensure their views are reflected in decision-making.

#### Looking ahead: 2025 governance priorities

As a Board we are committed to continuing to evolve our governance structure to best meet the needs of the

As a Board we are committed to continuing to evolve our governance structure to best meet the needs of the business as it develops and continues to execute its strategy. Accordingly, the Board will:

- Continue to critically evaluate acquisition opportunities and seek a pipeline of highly attractive targets, applying rigour to the assessment of suitability, diligence, risk and pricing. Ensure appropriate skills, capacity and experience to successfully integrate the targets identified, and embed oversight at Board level of the operations of those processes.
- Continue to challenge the composition of the Board as the business evolves over the coming year to ensure it provides the skills, experience and expertise required to support the business in its strategy execution.
- Evaluate the Board's performance and look to identify areas to improve or enhance, be that through information flows, composition or training, for example.
- Embed the operation of the Board's committees, ensure open and regular dialogue between the committee Chairs and their executive management counterpart, enhance the annual cycle of the committees and further enhance the detail and information flows most relevant to each committee in its operation.
- Consider, understand and, where required, formalise information flows required to meet the enhanced disclosure requirements under all applicable rules and regulations impacting the Company, for example, in respect of ESG matters, and further develop internal policies and procedures to support these requirements.
- Encourage open and regular dialogue with shareholders and other stakeholders to ensure a thorough understanding of the business and its activities over the coming year.

## **Roles and Responsibilities**

### **Board**

The Board is responsible for promoting the long-term, sustainable success of the Company through seeking to generate value for shareholders while fulfilling responsibilities to all our stakeholders. This includes setting the Group's strategic priorities and monitoring management's performance against those priorities, setting the Group's risk appetite and ensuring effective controls are in place, monitoring compliance with corporate governance principles and upholding the purpose, culture, values, and ethics of the Company.

### **SID**

The SID supports the Chair and Board, acting as a sounding Board and intermediary for directors and shareholders. The SID ensures the Chair considers shareholder views, focuses on succession planning, and leads the Chair's performance evaluation. They chair meetings without the Chair present, particularly for appraisals or succession discussions, and are available to shareholders for unresolved concerns. Giovanni Castagno is keen to develop relationships with shareholders and engage with them over the coming year.

### **CEO**

The Group CEO has overall accountability for the development and execution of the Group's strategy in line with the policies and objectives agreed by the Board, as well as the operational effectiveness and profitability of the Group. The Group CEO leads the Executive Committee. Will Self has been in the role of CEO since 6 June 2023 and led the executive team through the Acquisition and subsequent integration with the Company. Will has driven the expansion of the executive team, the identification of further M&A opportunities and development of the enlarged group's culture and values.

### **CFO**

The Group CFO is responsible for the financial affairs of the Group whilst supporting the Group CEO in the development and execution of the Group's strategy. James Pearce joined on a fixed term contract and served as CFO of the Group from 23 May 2024 to 20 December 2024, supporting the Company through the Acquisition. The Company appointed an interim CFO, Marcus Holburn, for the period from James' departure until the commencement of the permanent CFO, Vinoy Nursiah, who joined the business on 1 April 2025.

### **Company Secretary**

Antoinette Vanderpuije is Company Secretary of the Company. The Company Secretary supports the Board of Directors in ensuring the Company's ongoing compliance with legal and regulatory requirements, including the Company's adherence to the UK Listing Rules. The Company Secretary is the primary advisor to the Board on governance matters, supporting the Company with its compliance with the UK Corporate Governance Code and the ongoing management of a corporate governance framework and annual calendar. On a day-to-day basis, the Company Secretary's responsibilities include organising and minuting Board, committee and shareholder meetings, maintaining statutory records, and supporting Directors through inductions and training as well as managing regulatory filings, market announcements, and insider lists. Additionally, the Company Secretary provides strategic and administrative support for corporate transactions, liaises with stakeholders, and ensures the company remains informed of, and compliant with, evolving legislation and best practices.

### UK Corporate Governance Code

The Board is committed to maintaining high standards of corporate governance and has resolved that the Company will comply with the UK Corporate Governance Code, so far as practicable, during the period and on an ongoing basis. The Company has adopted the 2024 UK Corporate Governance Code, which was published by the FRC in January 2024 and is available at <https://www.frc.org.uk>.

Details and explanations of non-compliance with the UK Corporate Governance Code are set out below:

#### **The Chair is not independent**

Provision 9 of the UK Corporate Governance Code recommends that a Chair should be independent on appointment. The independence of a Chair is assessed against criteria set out in Provision 10 of the UK Corporate Governance Code which includes, amongst other things, whether a Director participates in a company's share option or performance related pay scheme. On appointment, the Company's subsidiary issued me with incentive shares pursuant to a long-term incentive plan ("LTIP") and therefore the Board does not consider me as independent on appointment.

#### **Remuneration for Non-Executive Directors includes share options**

Provision 34 of the UK Corporate Governance Code recommends that the remuneration for Non-Executive Directors should not include share options or other performance-related elements. The Company's subsidiary has issued incentive shares pursuant to its LTIP to myself (as noted above) and James Corsellis. In the case of James Corsellis, his interest in incentive shares is held indirectly through his interest in Marwyn's long term incentive vehicle, Marwyn Long Term Incentive LP ("MLTI").

#### **No discretion in relation to LTIP outcomes**

Provision 37 of the UK Corporate Governance Code recommends that remuneration schemes and policies should enable the use of discretion to override formulaic outcomes. The terms of the LTIP, as described in note 29 to these Financial Statements, will result in remuneration being awarded based on pre-determined formulas, and therefore, there is no discretion in relation to LTIP outcomes.

#### **The Chair of the Remuneration Committee has not previously served on a Remuneration Committee**

Provision 32 of the UK Corporate Governance Code recommends that before appointment as chair of the Remuneration Committee, the appointee should have served on a Remuneration Committee for at least 12 months. Helen has not previously served as a member of a Remuneration Committee, and therefore the Company is non-compliant with this provision of the UK Corporate Governance Code. The Board is however satisfied that Helen has the experience and skills required to perform this role and the Company is supporting Helen in this position, having also enrolled Helen in a Remuneration Committee workshop and update session.

### Board Effectiveness

The Board is determined to maintain the highest standards in the way we work and so have committed to undertake an annual assessment of effectiveness. The Nomination Committee along with the Chair are responsible for putting in place a formal and rigorous annual evaluation of the performance of the Board, its committees and individual Directors. Given that the completion of the InvestAcc Acquisition took place in October 2024, with the appointments of three INEDs shortly thereafter it has been agreed that the first Board effectiveness review will take place in Q3 2025. The results of the Board Effectiveness review are to be discussed at the subsequent meeting of the Board, and the results of the Board Effectiveness review, alongside the recommendations and any implemented changes will be outlined in the 2025 annual report.

### Induction, training and development

As part of the appointment process of the three INEDs in October, the Chair oversaw a tailored and detailed induction process. As part of which, each of the proposed Directors received materials on the Group and attended a day's induction session which included meetings with the Chair, Executive Management, Company Secretary and Broker.

We are committed to supporting the continued development of all our staff, and this includes the Board and executive management team. We have so far arranged training for Helen, to support with her role as Chair of the Remuneration Committee.

### Board Diversity



We are committed to fostering a diverse and inclusive Board that reflects the broad perspectives, experiences and skills required to effectively guide our business and create sustainable value for all stakeholders. Diversity is a key component of our governance framework, supporting better decision-making while aligning with our values and stakeholder expectations.

We acknowledge that we have not yet met the recommended targets for Board diversity as outlined by the FCA, given that our Board is majority male, with the roles of CEO, CFO, Chair and SID all being held by males and no Directors being from an ethnic minority, as at the balance sheet date. Vinoy Nursiah is of Asian and Asian British ethnicity and joined the Board of Directors as CFO on 1 April 2025. Board and senior management diversity is something that we are committed to improving over time, and diversity of the Board and the workforce of the wider group is a matter for review over the coming twelve months, along with the design of a Diversity Policy as noted in the Nomination Committee Report on page 34. A Diversity Policy has not yet been put in place, given the short period of time from the completion of the Acquisition and the appointment of the INEDs and the period end. Disclosure requirements specified under UK Listing Rule 22.2.30R(2) are included in the Directors' Report.

The Company had committed to enhancing its governance arrangements and INEDs to the Board at or around the point of Acquisition. As part of the recruitment process for these appointments, a skills matrix was prepared, which identified the strengths and areas of expertise of the existing Board and management team as well as the skills gaps. This matrix formed the basis of the recruitment process, which was very much focussed on recruiting Board members who had the requisite experience, expertise and skills needed to enhance the Board and support the Company in its strategy execution.

## ESG

ESG is the responsibility of the Board, and is included on the Board standing agenda, to facilitate Board level discussions on a regular basis. The timing and nature of these discussions is set out on the Board governance calendar.

As mentioned in my Chairman's Statement on page 5, as we evolve, we intend to build an environmentally sustainable business. We recognise the importance of having in place a wider ESG strategy and adopting an ESG framework to enable the Company to provide comprehensive disclosures in this regard. Given the short period of time since the Acquisition, the Company is very much at the start of its ESG journey and the Company's ESG strategy is a Board matter, to be considered at regular intervals over the coming year.

We recognise that under the UK Listing Rules it is expected that listed companies will have adopted the Task Force on Climate-related Financial Disclosures ("TCFD") and include climate related financial disclosures consistent with the TCFD recommendations and provide its recommended disclosures in the annual report.

Given the very short timeframe since the Acquisition, the Company has not yet designed its ESG Strategy. As previously noted, the Directors are committed to doing so, and over the coming year this will be an area for development. The Directors are aware of the evolving regulatory landscape, and the expected adoption of the first two standards issued by the International Sustainability Standards Board ("ISSB") in the UK of IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures.

## Communication with Shareholders

It is very important to us that the Board engages with the owners of our Company. During the year, as part of the fundraising process we undertook a roadshow and met with the shareholders that subscribed for shares as part of the placing. The placing was completed through the issuance of shares to both new shareholders, as well as the issuance of additional shares to a number of the Company's shareholders that had been invested in the business since IPO.

The Company will continue to meet and interact with its shareholders during key points in the reporting process, such as following the release of its Financial Statements and interim accounts. Giovanni Castagno, in his role as SID, is also available as needed for discussions with shareholders.

The Company's first annual general meeting ("AGM") will be held prior to 9 April 2026. The Board will attend the AGM, and we are all looking forward to meeting with our shareholders and using this as an opportunity to hear their views and answer their questions.

## **Wider Stakeholder Engagement**

The Board is committed to considering not only the immediate interests of shareholders, but also the interests and impact that the Company may have on wider stakeholders including:

- i. the likely consequences of decisions in the long-term;
- ii. the interests of our employees;
- iii. the need to further the Group's business relationships with suppliers, customers and others;
- iv. the impact of the Group's operations on the community and the environment;
- v. the desirability of the Group to maintain a reputation for high standards of business conduct; and
- vi. the need to act fairly.

The Group operates in a regulated industry where customer outcomes are paramount. Our employees are fundamental to the Group's ability to deliver the exceptional customer service expected of InvestAcc, and our employees are supported by the Group's suppliers. The Board understands the interdependencies of the Group's wider business relationships, is mindful of the impact the Group has on the community and environment and remains cognisant of maintaining and continuing to enhance the Group's reputation in the market based on excellent customer experience.

### **Our shareholders**

The Board believes that by executing our strategy and delivering for our customers, we can deliver our full potential for our shareholders.

During the period, the Company completed its platform Acquisition, which was partly funded by a £30 million institutional subscription and placing. As part of the Acquisition process, the Company's Directors and management engaged with potential shareholders in respect of the Acquisition opportunity and longer-term strategy of the enlarged Group. Since the completion of the Acquisition, the Company has continued to progress its stated strategy, as disclosed in more detail in the Chairman's Report and CEO Report. The Directors have communicated with shareholders via RNS announcements and are available to meet with shareholders as required. The Board is committed to maintaining regular dialogue with shareholders.

### **Customers**

As disclosed in the CEO Report, our business is recognised for the quality of service it continues to deliver to its clients year on year as demonstrated by the awards the InvestAcc business has won. Customer satisfaction and customer retention are critical to the long-term sustainable prospects of the Group.

Information on customer retention is considered a key performance indicator, as set out in the Management Report and therefore reported to the Board at each periodic meeting and recent retention rates remain consistently positive.

The Board continues to be kept informed on how management of the underlying regulated businesses are embedding Consumer Duty, ensuring that consistently positive customer outcomes remain integral to all processes.

### **Workforce**

We consider the engagement of our workforce to be a critical element of good governance, and we want to ensure that we have in place an open and transparent dialogue with our workforce which enables the perspectives, needs and concerns of our staff to be part of our Board discussions, and therefore, considered as part of our strategic decision making.

Following the Acquisition, Group management have met regularly with the senior InvestAcc team at their offices in Carlisle. Group management have also held our first town hall with the wider InvestAcc team in person in Carlisle. It was important for the Group that this be held shortly following the Acquisition, as an opportunity for management to share the Group's strategy and vision, as well as meet the staff individually and encourage a forum of openness and transparency, initiating and encouraging a dialogue between management and the workforce.

We have recently appointed Helen Copinger-Symes as the Designated Workforce Director. The Dedicated Workforce Director is to be a bridge between the workforce and the Board, strengthening the voice of our workforce at Board level.

Looking ahead to 2025, Helen will engage with the workforce on key areas, such as the group remuneration

policy, and diversity and inclusion as the Company looks to develop and implement its strategies and policies in these areas.

**Regulators**

We have an open, constructive and transparent relationship with the FCA. We also take a proactive approach to ensure the FCA remain informed regarding our strategy and any potential M&A activity.

**Community and environment**

The InvestAcc business has developed strong ties to its community. During 2024 they continued to support the local football team in Carlisle and held a number of charity events raising money for both Macmillan Cancer Support and a local charity Eden Valley Hospice. As mentioned above, the Company is committed to building an environmentally sustainable business and intends to develop a wider ESG strategy and adopt an ESG framework in 2025. As part of this work, the Company is looking forward to building on and nurturing the community relationships developed by the InvestAcc team.

**Suppliers**

Our suppliers are critical to our business and the long-term success of the Group. We have in place a supplier onboarding process and undertake a periodic review of our suppliers. During 2025, our supplier onboarding and review policy will be reviewed by the Risk Committee and enhancements to our procedures in this area made, in line with our ongoing review and enhancements to our risk management processes.

**Looking forward**

The Board is committed to fostering strong engagement with its shareholders. Looking ahead, the Board will consider and balance, the views and interests gained through its stakeholder engagement, as well as the need to promote the long-term success of the Group.




**Board and Committee attendance**



Since adoption of the UK Corporate Governance Code, and establishment of the Board committees, the Company held one periodic Board meeting in the period to 31 December 2024, as well as one Remuneration Committee, Audit Committee, and Risk Committee meeting. 2025 Board meetings are scheduled and diarised, with a minimum of 8 meetings intended to be held during the year. All Board and committee meeting members attended the respective meetings.

One Disclosure Committee meeting was also held in the period to 31 December 2024.

A further ad-hoc meeting was held in respect of the Board changes in December 2024 and following discussion with the full board, the formal approvals were delegated to Mark Hodges and Will Self.

**BOARD OF DIRECTORS**

|  |   |
|--|---|
|  <p><b>Mark Hodges - Chairman</b></p> | <p>Mark has over 30 years' experience across the financial services and consumer sectors, including extensive FTSE 100 Board experience with Centrica plc and Aviva plc. He was also CEO of ReAssure (which he sold to Phoenix for £3.25 billion), Centrica's consumer division (including British Gas), Towergate Insurance, and Aviva UK. Mark is currently the independent Non-Executive Chairman of the Royal Sun Alliance Insurance Group, a wholly owned subsidiary of the Intact Finance Corporation.</p> <p>Date of appointment: 19 June 2022</p> <p>Committee membership: Nomination Committee (Chair) and Disclosure Committee (Chair)</p>  |
|  <p><b>Will Self - CEO</b></p>        | <p>Will has extensive experience across pension and retirement services sectors. He was previously Chief Executive Officer of Suffolk Life and Chief Commercial Officer of Cofunds (both divisions of Legal &amp; General), and subsequently CEO of Curtis Banks Group plc. During his time at Suffolk Life, Will led one of the SIPP industry's first consolidation initiatives including the acquisition of the full SIPP book from Pointon York in 2012, the merger with Curtis Banks in 2016, and the acquisition of Talbot and Muir. Will is also a Trustee of the Seckford Foundation and serves as Deputy Chair to the FCA Small Business Practitioner Panel. He holds an MBA from Cranfield School of Management.</p> <p>Date of appointment: 5 June 2023</p> <p>Committee membership: Disclosure Committee</p> |
|                                       | <p>Vinoy brings a wealth of experience to the role, with a proven track record</p>  |

|  |   |
|--|---|
| <br><b>Vinoy Nursiah - CFO</b>                                     | <p>of driving financial performance, operational excellence, and strategic transformation. Previous positions include CFO of Kingswood, an AIM-listed wealth management group with over £10 billion assets under management, CFO of CSC Global Financial Markets, a global service provider of specialised administrative services, and Finance Director of SFM Europe, delivering corporate services to structured finance and securitisation vehicles.</p> <p>Date of appointment: 1 April 2025</p>   |
| <br><b>Giovanni (John) Castagno - Senior Independent Director</b> | <p>Giovanni has over 45 years' experience of working as an executive and non-executive with companies such as Legal &amp; General, BUPA, Post Office Insurance, Tesco Bank, British Gas Insurance and Hastings Direct. Giovanni is currently Non-Executive Chair of Dignity Funerals Limited, Honorary Chairman of Wide Group (Italy) and is the Senior Independent Director and Non-Executive Chair of Risk for Markerstudy Group Holdings Limited.</p> <p>Date of appointment: 16 October 2024<br/>Committee membership: Audit Committee, Risk Committee (Chair), Remuneration Committee and Nomination Committee</p> |

|   |   |
|---|---|
| <br><b>Helen Copinger-Symes</b> | <p>Helen has over 35 years' experience in financial services, initially in fixed income capital markets, followed by an extensive career in institutional asset management focusing on investments for UK pension funds. She has worked for several global investment firms including Deutsche Asset Management, Invesco Perpetual, AllianceBernstein and State Street Global Advisors, in addition to a boutique hedge fund. Helen currently serves as a Non-Executive Director on the Board of Nest Corporation as well as Chair of the Pension SuperFund Holdings and Pension SuperFund Sponsor Boards. She is also a Trustee and Chair of the Investment Committee for DHL (UK) Foundation, overseeing the Foundation's portfolio of assets.</p> <p>Date of appointment: 16 October 2024<br/>Committee membership: Audit Committee, Risk Committee, Remuneration Committee (Chair) and Nomination Committee</p> |
| <br><b>Martin Potkins</b>      | <p>Martin is a highly experienced senior executive with particular expertise in financial services, specifically life &amp; pensions, general and health insurance developed over 35+ years. His most recent executive role was as interim CFO for Bupa where he continues to chair the UK DB pension scheme, and the Bupa Global subsidiary based in Ireland and serving customers across the EU. Martin has significant experience of complex change in a variety of different scenarios, from established businesses (based in UK and worldwide) impacted by regulatory change, to acquisitive concerns requiring structural transformation and cultural change.</p> <p>Date of appointment: 16 October 2024<br/>Committee membership: Audit Committee (Chair), Risk Committee, Remuneration Committee, Nomination Committee and Disclosure Committee</p>  |
| <br><b>James Corsellis</b>     | <p>James is Managing Partner of Marwyn Capital and Chief Investment Officer of Marwyn Investment Management LLP. He brings extensive public company experience, management and corporate finance expertise across a range of sectors, and an extensive network of relationships with co-investors, advisers and other business leaders. He is chairman of Marwyn Acquisition Company III Limited and MAC Alpha Limited, and a Director of 450 plc and Silvercloud Holdings Limited. Previously he has served as Chairman of Entertainment One, CEO of icollector plc; and as a non-executive director of BCA Marketplace, Advanced Computer Software and Breedon Aggregates.</p> <p>Date of appointment: 31 July 2020<br/>Committee membership: Disclosure Committee</p>  |

## Audit Committee Report

### Introduction

As Chair of the Audit Committee, I am delighted to present my inaugural report to shareholders and set out the activities of the committee since its establishment on 16 October 2024. Whilst only a short period of time has elapsed since establishment, the committee has worked closely with the executive team to develop a thorough understanding of the financial policies, procedures and processes throughout the Group, including planned enhancements to these over the coming year. We have considered, and recommended to the Board, the proposed change in year-end for the Group to 31 December and have been involved in the audit process from

the planning stage through to completion. Set out in this report is a summary of our roles and responsibilities, our activities in the period and our key priorities for 2025.

#### Committee Membership

- Martin Potkins (Chair)
- Giovanni Castagno
- Helen Copinger-Symes

All committee members are independent, and all three members attended the one committee meeting held in the period from establishment to the year-end date. On an ongoing basis, we intend to meet at least four times a year, at the appropriate times in the financial reporting and audit cycle.

The biographies of the Audit Committee members are included on pages 27 and 28.

#### Roles and Responsibilities

The Audit Committee has responsibility for, among other things, the monitoring of the integrity of the Group's financial statements and the involvement of the auditors in that process. We focus in particular on compliance with accounting policies and reviewing internal financial controls. We also advise on the appointment of the external auditor and focus on ensuring the effectiveness of the external audit, including considering the scope of the annual audit. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly report remains with the Board.

#### 2024 inaugural activities

The Audit Committee was established on 16 October 2024, during the short period to 31 December 2024, the committee has:

- Reviewed and approved its Terms of Reference
- Reviewed and considered the Finance Improvement Plan which had been prepared to capture any low-risk due diligence findings which were not addressed pre acquisition by the InvestAcc business, along with some more general financial control and operations enhancements to align group operations. The majority of the identified actions have been implemented within the period to 31 December 2024, and the committee will continue to monitor the resolution of the remaining low risk matters.
- Approved the updated Financial Position and Prospects Procedures Memorandum ("FPPP"). The FPPP was initially prepared as part of the acquisition of InvestAcc and has subsequently evolved to reflect the changes to Group such as enhancements to financial controls and updates to the Company's Board and governance framework.
- Approved the change in Group year end to 31 December. The change in year end is now aligned across the Group and also is reflective of the financial reporting calendar of the wider industry, which is important to the Company from an investor relations perspective.
- In respect of the financial year 2024 audit and reporting process, the committee has:
  - Considered the financial reporting and audit requirements across the group and approved the adoption of a combination of IFRS and FRS 101.
  - Approved the audit timetable and has monitored the audit work completed pre year end
  - Monitored the progress of the PPA workstream, and its interaction with the audit timetable
  - Reviewed and approved the Group audit engagement letters, including audit scope and fees
- Considered the enlarged group's VAT position and the design and implementation of managed services agreements.

#### 2025 priorities

During the period to the date of this report, the committee has continued to oversee the audit and reporting process and in relation to this has:

- Considered the key accounting estimates and judgements and reviewed and input into key accounting papers, including the completion of the PPA workstream and associated reporting.
- Met with the audit partner to discuss the audit process and contents of the audit findings report.
- Reviewed and recommended approval of the annual report and financial statements, Audit Committee report, and associated documents such as the management representation letter to the external auditors.

For the remainder of 2025, the committee will:

- Review the integrity and accuracy of the Company's financial reporting processes.
- Monitor the effectiveness of the systems of internal control over financial reporting that support the integrity of the Company's and the Group's financial disclosures.
- Continue to monitor the implementation of the Finance Improvement Plan and consider any further enhancements, specifically in relation to the acquisition of further businesses.
- Consider the need for an internal audit function

consider the need for an internal audit function.

- In relation to the 2025 interim financial statements;
  - o Consider the interim financial statements reporting timetable and review and consider the contents of the interim accounts
  - o Consider the impact on the Company's financial reporting of any further M&A
  - o Perform an annual review of the effectiveness of the Group's external auditor
  - o Prepare for the 2025 financial year, including enhancement of the Company's ESG reporting in line with its ESG strategy

The committee are aware of the impact that an active M&A agenda will have on the financial reporting processes and controls and ultimately the level of disclosure required in the Group's financial statements to ensure that the information presented to shareholders is clear, balanced and understandable. The committee will work with management to both support and provide challenge throughout the year in respect of its areas of responsibility.

#### Internal Audit

Given the Group's size and the nature of its operations, it has been determined that an internal audit function is not required at this time. The existing control environment is considered proportionate to the scale and complexity of the business, with robust oversight and review processes in place to provide sufficient assurance over key financial and operational controls. The requirement for an internal audit function, or the support of a third party to provide internal audit testing is to be considered periodically by the committee and will be assessed during 2025 as set out above.

#### Audit Tenure

The committee is responsible for overseeing relations with the external auditor, including the proposed external audit plan and the approval of fees. The committee will assess the independence and effectiveness of the external auditor each year and will make a recommendation to the Board on their appointment or re-appointment. The committee will first undertake this review in 2025.

The Company's auditors are Baker Tilly Channel Islands Limited, who have been the Company's auditor since 2022.

#### Auditor Independence

The committee has assessed the implications of certain non-audit services received from a network firm of the external auditor, to ensure their independence & objectivity remained appropriate. The committee noted that MHA Macintyre Hudson LLP ("MHA"), acted as Reporting Accountant on the historical financial information for the underlying subsidiaries, and also provided financial and taxation due diligence services for the Acquisition. The committee and the auditor have considered this and have considered the FRC's independence requirements and satisfied themselves that:

- these services are listed as allowable non-audit services; and
- the safeguards applied by the independent auditor are sufficient to ensure their independence and objectivity are not compromised.

#### Martin Potkins

#### Chair of the Audit Committee

23 April 2025

#### Risk Committee Report

#### Introduction

The Risk Committee has, since establishment, been focussed on understanding the risk profile of the business, its current position, the intended evolution of the risk management function, processes and controls and the impact on risk of future M&A activity.

Over the past few months, the committee have worked alongside executive management, considered the detailed due diligence performed as part of the Acquisition process and challenged the approach to risk identification, management and mitigation to be employed by the Group, both in its current form and as the M&A agenda develops.

This report sets out a summary of our roles and responsibilities, our activities in the period and our key priorities for 2025.

#### Committee Membership:

- Giovanni Castagno (Chair)
- Martin Potkins
- Helen Copinger-Symes

All committee members are independent, and all three members attended the one committee meeting held in the period from establishment to the period-end date. On an ongoing basis, we intend to meet at least four times a year.

#### Roles and Responsibilities

The Risk Committee will have responsibility for, among other things, advising the Board on risk appetite, tolerance and strategy (including the likelihood and impact of principal risks materialising, and seeking assurance on specific risks). The committee will also monitor the effectiveness of the enlarged Group's risk management and internal control systems (including overseeing and seeking assurance regarding the adequacy and effectiveness of processes and procedures to manage risk and the internal control framework).

The Risk Committee will also oversee and seek assurance on the effectiveness of management's own processes for monitoring and reviewing the effectiveness of risk management and internal control systems and ensuring corrective action is taken when necessary.

#### 2024 Inaugural Activities

The Risk Committee was established on 16 October 2024, during the short period to 31 December 2024, the committee has:

- Reviewed and approved of the committee's terms of reference
- Reviewed and challenged the design and implementation of an effective operating model for the Group risk function, which has been prepared by the Group's recently appointed Chief Risk Officer. This included the initial review and challenge of the current working drafts of key risk management documents, including:
  - o Group risk register and severity matrix;
  - o Risk and compliance maturity matrix and target risk management framework; and
  - o Working draft of the risk appetite framework, including proposed approach to KRI reporting.
- Reviewed papers and considered the impact to the Group of upcoming changes to regulations, most notably looking at the risks and opportunities to the Group from Consumer Duty obligations, the FCA's Dear CEO letter dated 4 November 2024 for our sector and the Autumn 2024 Budget.
- Discussed, challenged and subsequently approved the approach to enhance the Group's policies and procedures, risk appetite formation and monitoring of the wider group adoption of these enhancements to existing practices.

#### 2025 priorities

In the period from 1 January 2025 to the date of this report, the committee has:

- Reviewed regular KPI and KRI reporting, providing questions to the executive management team in this regard to ensure appropriate monitoring and response to changes in such metrics
- Considered the nature of the risk disclosures in the Group's annual report and discussed and approved the contents of the Risk Committee Report.

During the remainder of 2025, the committee will:

- Approve the Group's key risk management documents and continue to challenge and feedback to the executive management team on these to support their continual enhancement, including the:
  - o enlarged group risk register and severity matrix;
  - o risk and compliance maturity matrix and target risk management framework; and
  - o risk appetite framework and KRI reporting.
- Monitor the impact and associated risks arising from changes to the macroeconomic, competitor activity and political environment, regulatory landscape and from global climate change.
- Oversee the current and projected future risk exposures of the Group, including determination of risk appetites and tolerances, reflecting, as appropriate the M&A activity of the Group.
- Provide effective oversight of the management of key areas of financial and non-financial risk, including customer, conduct, market, liquidity, cyber, data protection and data loss, regulation, operational resilience, investment, reputation and people risks.
- Review all risk related Group policies and procedures and monitor the implementation and roll out of these across the Group.
- Support the Company with the adoption of an ESG framework.

We, as a committee, are cognisant of the need for a robust risk management approach commensurate with the nature and activities of the Group today and as the Group will look in the future as it executes its "buy and build" strategy. The committee will provide both oversight of and challenge to the executive team, including

board strategy. The committee will provide both oversight of and challenge to the executive team, including the Chief Risk Officer, and, in response to our risk priorities, request focussed reviews and more detailed assessment of specific risk areas, being mindful of the changing regulatory landscape, consumer expectations and the M&A agenda.

**Giovanni Castagno**

**Chair of the Risk Committee**

**23 April 2025**

## **Nomination Committee Report**

### **Introduction**

In the short period from the committee's establishment to the period end, the members of the committee have been involved in the recruitment process and decision making in relation to the appointment of the Group's permanent CFO, Vinoy Nursiah, alongside the resignation of James Pearce, as well as considering its terms of reference and its priorities for 2025.

This report sets out a summary of the committee's roles and responsibilities, our activities in the period and our key priorities for 2025.

### **Committee Membership:**

- Mark Hodges (Chair)
- Giovanni Castagno
- Martin Potkins
- Helen Copinger-Symes

The committee is led by Mark Hodges, who is not considered independent, however, the remaining committee members are independent. All members attended the one committee meeting held in the period from establishment to the period-end date. On an ongoing basis, the committee intends to meet at least twice a year.

### **Roles and Responsibilities**

The Nomination Committee will have responsibility for, among other things, considering and making recommendations to the Board in respect of appointments to the Board, the Board committees and the chairmanship of the Board committees. It will also be responsible for keeping the structure, size and composition of the Board under regular review, and for making recommendations to the Board with regard to any changes necessary, taking into account challenges and opportunities facing the Company and the skills and expertise that will be needed on the Board in the future.

The Nomination Committee will meet as and when required, and at a minimum, at least once a year.

### **2024 inaugural activities**

The Nomination Committee was established on 16 October 2024. The committee has in place a terms of reference and agreed a 2025 annual calendar setting out its key priorities and actions for the year ahead.

The committee was involved in the recruitment process undertaken in respect of the identification of candidates for the CFO role, including the appointment of an external recruitment agency to assist in the preparation of a long list. The committee Chair was responsible, alongside the CEO, for identifying the short list, and was involved in all interviews, from which two candidates were then considered in detail, both of whom met further members of the Board, before a preferred candidate was identified. The committee members considered a paper in respect of the appointment that had been prepared by the CEO, and confirmed their approval of the appointment, with the remuneration package being considered by the Remuneration Committee.

### **2025 priorities**

During 2025, the committee will;



- Review the current skills matrix, and consider the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- Consider the leadership needs of the business, both executive and non-executive.
- Consider the timing of the introduction of a group diversity and inclusion policy, including the gender balance of senior management and their direct reports.
- Consider the need for succession planning for the Company's Board, executive management team and the wider Group.
- Agree an approach for the inaugural Board evaluation review and the timing of this.
- Review and assess Board independence and the time commitments of the Board and make recommendations to the Board accordingly.

**Mark Hodges**

**Chair of the Nomination Committee**

**23 April 2025**

## **Remuneration Committee Report**

### **Introduction**

In the first few months since the establishment of the committee, the members of the committee approved its terms of reference and considered the committee's priorities in 2025. The committee has reviewed the performance metrics for the CEO's bonus for the period from 1 July 2024 to 31 December 2024 and commenced discussions in respect of the KPIs for the executive management team for the financial year 2025. The committee also approved the remuneration package for the appointment of the Group's permanent CFO, Vinoy Nursiah, alongside the terms associated with the resignation of James Pearce.

This report sets out a summary of the committee's roles and responsibilities, its activities in the period and the key priorities for 2025.

### **Committee Membership:**

- Helen Copinger-Symes (Chair)
- Martin Potkins
- Giovanni Castagno

All committee members are independent, and all three members attended the one committee meeting held in the period from establishment to the year-end date. On an ongoing basis, we intend to meet at least four times a year.

### **Roles and Responsibilities**

The Remuneration Committee are responsible for designing the Directors' Remuneration Policy and setting the remuneration for the Chair and executive directors, including approving the objectives, terms of appointment and the performance KPIs of the executive directors. On an ongoing basis, the Remuneration Committee shall review and consider the ongoing appropriateness of the Directors' Remuneration Policy, oversee workforce remuneration and related policies and review the design of all group share incentive plans for approval by the Board as and when required.

### **2024 inaugural activities**

The Remuneration Committee was established on 16 October 2024. During the short period to 31 December 2024, the Committee has:

- Reviewed and approved the committee's terms of reference.
- Reviewed and discussed the remuneration related decisions that were made prior to the establishment of the Remuneration Committee and the rationale and background to each of these, including the remuneration packages and contractual terms of the Group's management team.
- Discussed the change in financial year end of the Group and the change in period upon which the senior management team's remuneration package will be reviewed to align this with the change in the Group's year end. The Remuneration Committee resolved to approve a short period of six months to 31 December upon which to review the performance of the CEO, with discussions commenced in relation to the 2025 performance metrics for the management team.
- Discussed in detail the draft CEO KPIs for the six-month period to 31 December 2024, and how these should evolve going forward to reflect the business's strategic purpose.
- Discussed and agreed the timing of bonus payments of senior management, reflective of the change in financial year end.
- Discussed the need for a plan to create and evolve workforce related policies.
- Considered the proposed remuneration package for the new Group CFO, including re-allocation of incentive shares under the existing LTIP, and the termination provisions in respect of the resignation of James Pearce.

## 2025 priorities

During 2025 to date, the Committee has:

- Approved the CEO performance metrics for the shortened period to 31 December 2024, reviewed the performance assessment against these objectives and determined the bonus payment, payable March 2025.
- Reviewed and approved the CEO and CFO KPIs for the twelve-month period to 31 December 2025, alongside overseeing the performance metrics for the remaining executive management team.
- Reviewed senior managements' bonus payments for the shortened period to 31 December 2024 and their KPIs for the twelve-month period to 31 December 2025.

During the remainder of 2025, the Committee will:

- Review and discuss documentation on the organisational values and culture in the underlying operational business
- Design and implement a Directors' Remuneration Policy
- Oversee the development of workforce related policies.
- Consider appropriate long term incentive arrangements for the wider Group.

Looking to the year ahead, the committee will design a Directors' Remuneration Policy that is aligned to the Company's purpose and values and clearly linked to the successful delivery of the Company's long-term strategy. The committee are cognisant of the importance of putting in place a policy which attracts, retains and motivates executive management. The Remuneration Committee will also oversee the development of the Group's workforce related policies, ensuring alignment to the Company's newly designed Directors' Remuneration Policy.

**Helen Copinger-Symes**

**Chair of the Remuneration Committee**

**23 April 2025**

## Remuneration Report

### Introduction to Directors' Remuneration Report

The Remuneration Committee has only recently been established, and as disclosed in the Remuneration Committee Report, a key area of focus for 2025 is to design and finalise a Directors Remuneration Policy.

As a company incorporated in the British Virgin Islands, the Company is not required to prepare a Directors' Remuneration Report as required under the Companies Act. However, the Board do think that transparency and disclosure around Board remuneration is a key aspect to good governance and have therefore set out within this report relevant remuneration related information, noting that the Company only acquired the InvestAcc operating business a short period prior to 31 December 2024.

The purpose of this report is to communicate with our stakeholders the current remuneration philosophy of the Company and also detail the key contractual terms and remuneration paid to the Directors during the six-month period to 31 December 2024, given that the Directors' Remuneration Policy is not in place.

The remuneration philosophy of the Company is that executive remuneration should be aligned with the long-term interests of shareholders. The Company also believes that remuneration should be proportionate, transparent, performance based, encourage sustainable value creation and support the delivery of the business strategy by attracting, incentivising and rewarding the highest calibre personnel. This philosophy is reflected in our remuneration structure and also in how the Remuneration Committee design and approve the remuneration packages of our senior executive team.

The Board feels strongly that the Executive Directors' remuneration should be linked to the creation and delivery of attractive returns to shareholders. Although the Board feels it is important to remunerate key management appropriately through their basic pay and benefits at market levels commensurate with their peers, the Company also has in place an LTIP to provide an incentive that is aligned with shareholders' interests.

### Long Term Incentive Arrangements

The Directors believe that the success of the Company will depend, to a high degree, on the future performance of its executive directors. Accordingly, the Group has put in place the LTIP, which will only reward participants if shareholder value is created ensuring alignment between shareholders and those responsible for delivering the Company's strategy.

Mark Hodges, Will Self and James Corsellis have a beneficial interest in the LTIP as disclosed in Note 29. The newly appointed Group CFO also has a beneficial interest in the LTIP.

The general principles of the LTIP align with our philosophy:

- **Proportionate:** the participation levels should be proportionate to the role being undertaken by the participants and reflecting the participants' value to delivering outstanding, sustainable shareholder returns;
- **Transparent:** the compensation structure and its associated terms should be transparent to investors and the impact of the scheme clearly communicated to investors on an ongoing basis;
- **Performance Based:** minimum performance criteria should be based on equity profits generated, taking into account all equity issuance over the lifetime of the relevant measurement period, subject to minimum preferred returns; and
- **Encourage Sustainable Value Creation** incentive arrangements should be structured to encourage the creation of sustainable returns through long term vesting and performance measurement periods.

The Board strongly believes that such a clear and transparent incentive framework will be aligned with the Company's strategy for growth and provides a strong platform to incentivise key management for the future success of the Company.

More detail on the LTIP is included in Note 29 of these Financial Statements. Details of the LTIP are also set out in the Company's prospectus dated 1 July 2024.

The Board will continue to consider whether further long term incentive arrangements should be put in place for the wider group.

#### Breakdown of Remuneration Earned

The below table sets out the remuneration of each Director during the period and prior year (where relevant):

|                                | Six-month period to 31 December 2024 |         |          | Twelve months to 30 June 2024 |       |          |
|--------------------------------|--------------------------------------|---------|----------|-------------------------------|-------|----------|
|                                | Salary/fees                          | Bonus   | Benefits | Salary/fees                   | Bonus | Benefits |
| <b>Group CEO<sup>1</sup></b>   |                                      |         |          |                               |       |          |
| Will Self                      | 160,000                              | 336,000 | 21,244   | 320,000                       | -     | 40,374   |
| <b>Group CFO<sup>2</sup></b>   |                                      |         |          |                               |       |          |
| James Pearce                   | 204,333                              | 100,000 | 11,214   | 18,333                        | -     | 917      |
| <b>Chair</b>                   |                                      |         |          |                               |       |          |
| Mark Hodges                    | 125,000                              | -       | -        | 250,000                       | -     | -        |
| <b>Non-Executive Directors</b> |                                      |         |          |                               |       |          |
| James Corsellis                | 36,694                               | -       | -        | -                             | -     | -        |
| Giovanni Castagno              | 16,774                               | -       | -        | -                             | -     | -        |
| Martin Potkins                 | 16,774                               | -       | -        | -                             | -     | -        |
| Helen Copinger-Symes           | 16,774                               | -       | -        | -                             | -     | -        |

<sup>1</sup>In the period to 31 December 2024, Will Self was awarded two bonus amounts as follows: (i) in respect of the Acquisition and related performance metrics, a bonus of £240,000, payable subject to completion of the Acquisition which occurred on 9 October 2024. Of this bonus amount, 75% was payable in the period, and 25% was deferred and is payable in July 2025. The deferred amount is included in accruals. (ii) a performance bonus for the period from 1 July 2024 to 31 December 2024 of £96,000, of which 50% was payable in March 2025, with the remainder payable in equal instalments in March 2026 and March 2027. The deferred amount is included in provisions as it is payable more than 12 months from the balance sheet date.

<sup>2</sup>James Pearce was employed on a fixed term contract. James Pearce resigned as director on 19 December 2024. Included in the Salary figure for James Pearce above is £84,333, which relates to payments in lieu of notice and £10,000 as compensation for loss of office.

#### Approach to Non-Executive Director ("NED") fees

Three INEDs were appointed on 16 October 2024 and James Corsellis entered into a revised Non-Executive Director service agreement relating to the period, in conjunction with the Acquisition of InvestAcc.

As part of the INED appointments and the revised agreement with James Corsellis, the Directors considered the market rates paid to NEDs across the industry, considered the nature of the Company's activities and additional roles and responsibilities associated with chairing committees.

Going forward, NED fees will be reviewed on an annual basis in line with market rates.

#### Director Service Contract Provisions

New Director and senior management service contracts are prepared alongside the Company's legal counsel and new practices/guidance are considered at the point these are drafted.

The appointment letters for all Directors set out clearly the notice period, and termination clauses and claw back provisions for each of the Directors. In all instances Directors are required to step down from their position should this be voted for by the shareholders.

The notice period for all INEDs is three months written notice. The notice period for Mark Hodges is two years following completion of the Acquisition, and twelve months thereafter. Will Self and James Corsellis both have a twelve month notice period.

The overall remuneration packages of the executive directors are considered appropriate for the role performed by each Director, their level of skills and experience, and the intention of the Company to execute its stated strategy. In order to attract and retain the highest calibre of individual to perform these roles, it is essential that their remuneration is competitive in the industry and that it also provides appropriate short and long term reward, aligned with shareholders and wider stakeholders, based on the strategy of the Group.

#### Key Remuneration Decisions made during the period

During the period, key remuneration decisions were made in respect of the following:

- The appointment of Vinoy Nursiah. Vinoy joined the Company as CFO on 1 April 2025. The terms of his employment were considered against market expectations for the role, the nature of his role with the Company and the alignment of the reward for his performance with the interests of shareholders. No amounts were payable to Vinoy until he commenced employment.
- Termination payments for James Pearce. Termination payments were agreed to be made to James in accordance with his employment contract following his termination date as set out in the table above. Such amounts have been accrued at the balance sheet date and amount to £107,351 including social security.
- Transaction bonuses for both Will Self and James Pearce in respect of the Acquisition amounting to £240,000 and £100,000 respectively. Such amounts were payable on completion of the Acquisition, with 25% of Will Self's bonus being deferred for payment until July 2025.
- The performance bonus for Will Self, CEO. The metrics on which the performance bonus for Will Self would be determined for the period from 1 July 2024 to 31 December 2024, the monetary amount of such bonus being determined in January 2025 following completion of the period and assessment of his performance. As the bonus relates to the period to 31 December 2024, the bonus amount of £96,000 has been accrued at the balance sheet date, with it being payable over 3 years, with 50% payable in 2025, 25% in 2026 and 25% in 2027.
- The remuneration terms for the two further senior management appointments, James Keely as CRO and Allan Dibble as CCO. Their terms were considered in relation to market expectations for those roles, the role they will play for the Company and bonus provisions to align their performance with the strategic goals of the Company.

#### Director shareholdings and interests

Director shareholdings and interests are disclosed in the Directors' Report on page 45 with both Mark Hodges and Will Self owning shares in the Company. The Company has not yet set any minimum shareholding requirements for directors.

The Directors interests in the LTIP are detailed below.

#### LTIP

At the balance sheet date, Mark Hodges and Will Self were directly beneficially interested in the incentive shares of the Group. James Pearce had been issued 400 incentive shares on his appointment, however, in accordance with the terms of his subscription letter, on his resignation, he transferred his incentive shares back to the Company for £0.01 per share. James Corsellis is indirectly beneficially interested in the incentive shares of the Group through his interest in Marwyn Long Term Incentive LP (**MLTI**), Marwyn's long term incentive plan.

Subject to a number of provisions which are detailed in Note 29, if the Preferred Return and at least one of the vesting conditions have been met, the holders of the Incentive Shares can give notice to redeem their Incentive Shares for ordinary shares in the Company ("**Ordinary Shares**") for an aggregate value equivalent to 20% of the "**Growth**", where Growth means the excess of the total equity value of the Company and other shareholder returns over and above its aggregate paid up share capital (20% of the Growth being the "**Incentive Value**"). 10% of the Incentive Value is attributable to the A1 Shares and 10% is attributable to the A2 Shares. The

Company has the option to settle the exercise of incentive shares for cash, however, it is anticipated that they will be equity settled. The incentive shares have been accounted for as equity settled share-based payments as discussed in more detail in Note 29.

The table below sets out the number of incentive shares in which the Directors were interested, their respective share of the incentive scheme value, the date from which the shares can be exercised (note that in certain circumstances, incentive shares can be exercised before they have fully vested, such instances are detailed in Note 29), and their vested proportion at the balance sheet date based on the time elapsed since completion of the Acquisition and the year-end date, noting that the shares vest over the three years from Acquisition date.

| Shareholder | Share designation at balance sheet date | Number of incentive shares held | Date from which shares can be exercised | Entitlement to share of Growth in value | Vested shares |
|-------------|---|---------------------------------|---|---|---------------|
| MLTI        | A2                                      | 2,000                           | 10 October 2027                         | 10%                                     | 2,000         |
| Mark Hodges | A1                                      | 2,000                           | 10 October 2027                         | 6.25%*                                  | 151           |
| Will Self   | A1                                      | 800                             | 10 October 2027                         | 2.5%*                                   | 60            |

\*The above table does not include the 400 A1 Shares which had been issued on 22 May 2024 to James Pearce. On the 19 December 2024, the Company entered into a transfer agreement with James Pearce under which James transferred his 400 A1 Shares to the Company to be held in treasury. These A1 Shares were subsequently transferred to InvestAcc (BVI) Limited and cancelled on 31 January 2025. Therefore, at the balance sheet date, Mark Hodges, Will Self and the Company shared the remaining 10% of the Incentive Value attributable to the A1 Shares, based on their respective shareholdings. In relation to his appointment, it was intended that Vinoy

Nursiah be issued incentive shares and the issuance of such shares was made after the balance sheet date, following the transfer and cancellation of the 400 A1 Shares previously issued to James Pearce as noted above.

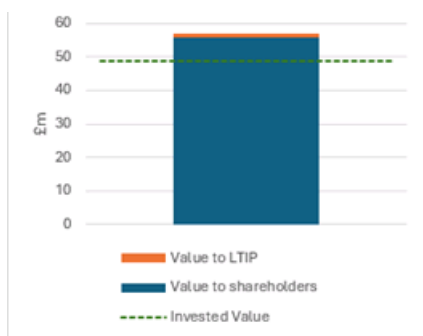
Accordingly, on 31 January 2025 Vinoy Nursiah was issued 400 A1 Shares and the number of A1 Shares issued to Mark Hodges and Will Self was amended such that their beneficial interests in the incentive scheme was as follows:

| Shareholder   | Share designation at reporting date | Number of incentive shares held | Date from which shares can be exercised | Entitlement to share of Growth in value | Vested shares |
|---------------|-------------------------------------|---------------------------------|---|---|---------------|
| Mark Hodges   | A1                                  | 2,400                           | 10 October 2027                         | 6%                                      | 182           |
| Will Self     | A1                                  | 1,200                           | 10 October 2027                         | 3%                                      | 91            |
| Vinoy Nursiah | A1                                  | 400                             | 10 October 2027                         | 1%                                      | nil           |

At the balance sheet date, the Incentive Value was £1,152,528, calculated as 20% of the Growth in Value from 4 December 2020 to 31 December 2024. The total value of the LTIP is divisible between participants in the LTIP based on their respective shareholding, with half of the Growth in Value attributable to the A1 Shares and half to the A2 Shares. The conversion of incentive shares into Ordinary Shares is made based on the 30 day volume weighted average price ("VWAP") up to the date of exercise, therefore, to 31 December 2024, the 30 day VWAP for the Company was £1.166 per share. Accordingly, whilst no vesting event had occurred at the balance sheet date, the Incentive Value at that date would equate to 960,440 Ordinary Shares (based on the closing price per share on 31 December 2024), which, on issuance, would be dilutive to the interests of shareholders. The LTIP has been included in the calculation of EPS on a diluted basis as set out in Note 11.

The chart below depicts how the market capitalisation at 31 December 2024 is shared amongst Ordinary Shareholders and Incentive Shareholders.

Allocation of value as at 31/12/24



#### Clawback provisions

With regards to the LTIP, should the holder of A1 incentive shares commit (i) gross misconduct, (ii) fraud, (iii) a criminal act (iv) a material breach of any post termination covenants or restrictions, or (v) take such actions which, on discovery, result in a requirement for the Company to materially restate its audited financial statements, and that, on the basis of the restated financial statements they would not have received the full amount that they did receive under the LTIP, then clawback provisions allow InvestAcc (BVI) Limited to clawback (i) Incentive Shares, (ii) Company Shares or (iii) cash equivalents, as set out in the holder's respective subscription letter.

As set out in the employment contracts of the Executive Directors, all payments and/or benefits payable to the Executive are subject to and conditional upon any regulatory rules to which the Company may be subject from time to time. The Company reserves the right to amend, reduce, hold back, defer, claw back or alter the structure of any payments and benefits payable to the Executive in order to comply with any applicable regulatory rules.

The aforementioned clawback provisions were not used in the reporting period to 31 December 2024.

#### Recruitment Arrangements

Where recruitment is initiated, consideration will be given to appropriate recruitment agencies that can support the Company with their recruitment process, based on their presence in the market for the role the Company is seeking to fill. It is usual for the Company to engage with more than one agency for each role. Senior team members will be involved in the recruitment process to identify the preferred candidate and decisions made in respect of appointments is approved in accordance with the delegation of authority matrix. Fees for recruitment agencies involved in appointments are commensurate with market rates.

#### Risks

The remuneration committee are cognisant of the importance of putting in place a policy which attracts, retains and motivates executive management. It's also important to ensure that reward is sufficiently balanced by risk in remuneration arrangements for executive management. Whilst the Group Remuneration Policy and Objectives have not been finalised yet, the Remuneration Committee are aligned to the need to ensure commercial objectives are not prioritised to the detriment of customer outcomes and remain consistent with the Company's purpose and values.

#### Performance Evaluation

Set out in the Nomination Committee Report, over the next 12 months the Nomination Committee will design the Board evaluation process, undertake this and also review and consider the results, implementing any enhancements and recommendations made as part of this process.

#### Looking Ahead

As discussed above, the Remuneration Committee will design a Group Remuneration Policy over the coming year and continue to review and support the enhancement of the enlarged group's workforce remuneration policies.

#### Directors' Report

##### Information on the Company

InvestAcc Group Limited was incorporated on 31 July 2020 in the British Virgin Islands ("BVI") as a BVI business company (registered number 2040956) under the BVI Business Company Act, 2004. The Company was listed on the Main Market of the London Stock Exchange on 4 December 2020 and has its registered address at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, VG1110, British Virgin Islands and UK establishment (BR022831) at 11 Buckingham Street, London WC2N 6DF.

Details of the Company's subsidiaries are included in Note 12 of these Financial Statements.

### Directors

The Company's directors who served during the six-month period ended 31 December 2024 and to the date of this report were as follows:

- Mark Hodges (Chair)
- Will Self (Chief Executive Officer)
- James Pearce (Chief Financial Officer) (appointed 23 May 2024, resigned 19 December 2024)
- Vinoy Nursiah (Chief Financial Officer) (appointed 1 April 2025)
- James Corsellis (Non-Executive Director)
- Giovanni Castagno (Senior Independent Director) (appointed 16 October 2024)
- Martin Potkins (Independent Non-Executive Director) (appointed 16 October 2024)
- Helen Copinger-Symes (Independent Non-Executive Director) (appointed 16 October 2024)

A brief biography for each of the Directors as at the date of this annual report is included on pages 27 to 28 of these Financial Statements.

### Directors' indemnities and insurance

In accordance with the Articles, the Company has granted qualifying third-party indemnity provisions for the benefit of each person who was a director of the Company during the period, in respect of liabilities that may attach to them in their capacity as directors of the Company or of associated companies. These indemnities were in force during the financial year and remain in force. Throughout the year, the Company has also purchased and maintained Directors' and Officers' liability insurance in respect of itself, its directors and others.

### Stated Capital and Significant Shareholdings

Details of the stated capital of the Company during the year are set out in Note 25.

As at the date of this report, the Company has in issue 48,850,911 Ordinary Shares of no par value, each carrying one vote. The Company also has in issue one sponsor share which does not carry the right to vote at meetings of shareholders, and 700,000 ordinary warrants.

As part of financing the Acquisition, the Company issued 6,150,911 Consideration Shares to Nicholas Gardner. The Consideration Shares were issued on 9 October 2024 and are subject to a 12-month restriction (the "Lock-in Period"), with a requirement that any sale of Consideration Shares in the 12 months following the end of the Lock-in Period may only be made on the basis that an orderly market in the Ordinary Shares is maintained. The Consideration Shares were issued at a price of £1.00 per share.

The table below shows significant shareholders at the balance sheet date, and at the date of this report.

| Significant shareholders         | Interest at the Balance Sheet date | Interest at the date of this report |
|----------------------------------|------------------------------------|-------------------------------------|
| Marwyn Investment Management LLP | 59.80%                             | 59.80%                              |
| Nicholas E Gardner               | 12.59%                             | 12.59%                              |
| M&G Investment Management        | 8.19%                              | 8.19%                               |
| River Global Investors LLP       | 3.99%                              | 3.99%                               |
| Dowgate Wealth Management        | 3.45%                              | 3.45%                               |
| Killik & Co. LLP                 | 3.22%                              | 3.22%                               |

### Directors' interests

At the balance sheet date, and as at the date of these Financial Statements, Mark Hodges owns 150,000 Ordinary Shares in the Company and Will Self owns 50,000 Ordinary Shares. There were no Ordinary Shares held by any connected persons, either at the balance sheet date, nor at the date of this report.

Mark Hodges, Will Self, James Corsellis and Vinoy Nursiah have interests in the Company's long term incentive plan, as detailed in Note 29 of these Financial Statements.

James Corsellis is the Chief Investment Officer of Marwyn Investment Management LLP which, at the balance sheet date, managed 59.8% of the Ordinary Shares and 525,000 matching warrants and 1 sponsor share. James Corsellis is also the managing partner of Marwyn Capital LLP, a firm which provides corporate finance support, company secretarial services and ad-hoc managed services support to the Company.

Details of the related party transactions which occurred during the period are disclosed in Note 30 of these Financial Statements, save for the participation in the Company's long term incentive plan as disclosed in Note 29 of these Financial Statements.

There were no loans or guarantees granted or provided by the Company and/or any of its subsidiaries to or for the benefit of any of the Directors.

**Share class rights**

Rights and obligations attaching to the Company's shares are set out in the Articles, details on these are further set out in Note 25 of these Financial Statements.

**Annual General Meeting**

The Company is required to hold its first annual general meeting within a period of 18 months following the date of a business acquisition. Not more than 15 months are permitted to elapse between the date of one annual general meeting and the date of the next, unless the members pass a resolution in accordance with the Articles waiving or extending such requirement.

The completion of the Company's first business acquisition took place on 9 October 2024 and therefore the Company's first AGM will be scheduled on or before 9 April 2026.

**Management report**

The Strategic report, Management Report, Governance section and Directors' report together are the management report for the purposes of DTR 4.1.5(2).

**Corporate governance statement**

The Governance section of the Annual Report and the risk management and internal control framework section of the Management Report, fulfils the requirement of a corporate governance statement under DTR 7.2.1.

**Information required by UK Listing Rule 22.2.24R**

All information required to be disclosed by the Company by UK Listing Rule 22.2.24R is set out within this Directors' Report.

**Director and senior management diversity reporting**

In accordance with Listing Rule 22.2.30R(2), the following tables set out numerical data on the ethnic background and the gender of the Company's directors and 'executive management', being members of the Company's executive committee.

Data concerning ethnic background and gender is collected directly from individuals. Company directors are required to complete a form on an annual basis, whereas members of Group Executive Committee are required to complete a diversity declaration upon joining the Company and advise if this information changes.

This data has been completed based on the board composition as at 31 December 2024. On 1 April 2025, Vinoy Nursiah joined the board as CFO, Vinoy is not included within the tables set out below, should Vinoy be included within the ethnicity reporting he would be presented within 'Asian and Asian British' and represents 14% of the board from his date of appointment.

**Reporting on gender**

|                                   | Number of Board members | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, SID and Chair) | Number in executive management | Percentage of executive management |
|-----------------------------------|-------------------------|-------------------------|---|--------------------------------|------------------------------------|
| Men                               | 5                       | 83%                     | 3   | 2                              | 100%                               |
| Woman                             | 1                       | 17%                     | 0   | 0                              | 0%                                 |
| Not specified / prefer not to say | 0                       | 0%                      | 0   | 0                              | 0%                                 |

**Reporting on ethnic background**

|  | Number of Board members | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, SID and Chair) | Number in executive management | Percentage of executive management |
|--|-------------------------|-------------------------|---|--------------------------------|------------------------------------|
| White British or other White (including minority white groups) | 6                       | 100%                    | 3   | 2                              | 100%                               |
| Mixed/Multiple Ethnic Groups                                   | 0                       | 0%                      | 0   | 0                              | 0%                                 |
| Asian/Asian British  | 0                       | 0%                      | 0   | 0                              | 0%                                 |



|  |   |    |   |   |    |
|--|---|----|---|---|----|
| Black/African/<br>Caribbean/Black<br>British | 0 | 0% | 0 | 0 | 0% |
| Other ethnic<br>group, including<br>Arab     | 0 | 0% | 0 | 0 | 0% |
| Not specified/<br>prefer not to say          | 0 | 0% | 0 | 0 | 0% |

#### Director and Senior Management Diversity and TCFD

As explained in the Diversity section of the Governance Report, the Company has not met the targets on board diversity which are set out in Listing Rule 22.2.30R(2). Nor has the Company included climate related financial disclosures consistent with the TCFD requirements.

The Company only completed its first acquisition on 9 October 2024, making enhancements to its governance framework shortly thereafter, adopting the UK Corporate Governance Code and appointing to the Board three INEDs and establishing four Board committees on 16 October 2024.

The Directors are committed to maintaining high standards of corporate governance and recognise the importance of transparency and robust reporting in this regard. Over the coming year, the Board, supported by the Board Committees, will look to enhance its policies, procedures and reporting around Board and Group diversity and inclusion, and also in respect of ESG, as is disclosed and discussed in the Chairman's Report, Governance Report and Nomination Report to improve transparency and enhance reporting ahead of the publication of the 2025 Annual Report.

The Directors are committed on aligning the Company's governance, risk management and sustainability practices with the expectations of our stakeholders and aligning with regulatory requirements.

#### Statement of Director's Responsibilities

The Directors are responsible for preparing the consolidated financial statements in accordance with applicable laws and regulations, including the BVI Business Companies Act, 2004. The Directors have prepared the financial statements for the period ended 31 December 2024, which present fairly the state of affairs of the Group and the profit or loss of the Group for that period.

The Directors have acted honestly and in good faith and in what the Directors believe to be in the best interests of the Company.

The Directors have chosen to use International Financial Reporting Standards as adopted by the European Union ("EU adopted IFRS" or "IFRS") in preparing the Group's Financial Statements. International Accounting Standard 1 requires that the Financial Statements present fairly for each financial year the group's financial position, financial performance and cash flows. This requires the faithful presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable EU adopted IFRS.

A fair presentation also requires the Directors to:

- Select consistently and apply appropriate accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and accounting estimates that are reasonable and prudent;
- Provide additional disclosures when compliance with the specific requirements in EU adopted IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- State that the Group has complied with EU adopted IFRS, 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 Company will continue in business.

The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Stock Exchange.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of financial statements.

Financial information is published on the Group's website. The maintenance and integrity of this website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may occur to the Financial Statements after they are presented initially on the website. Legislation in the British Virgin Islands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Directors' Responsibilities Pursuant to DTR4**

In compliance with DTR4, each of the Directors confirm to the best of their knowledge:

- The Financial Statements have been prepared in accordance with EU adopted IFRS, and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- The management report includes a fair review of the development and performance of the business and the financial position of the Group, together with a description of the principal risks and uncertainties that they face.

#### **Independent Auditor**

Baker Tilly Channel Islands Limited (**BTCL**) remains the Company's independent auditor for the period ended 31 December 2024 and has expressed its willingness to continue to act as auditor to the Group.

BTCL has been appointed as the Company's auditor since 2022.

#### **Disclosure of Information to Auditor**

Each of the Directors in office at the date the Report of the Directors is approved, whose names and functions are listed in the Report of the Directors, confirm that, to the best of their knowledge:

- The Financial Statements, which have been prepared in accordance with EU adopted IFRS, present fairly the assets, liabilities, financial position and loss of the Group;
- The Report of the Directors includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces;
- So far as they are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This Directors' Report was approved by the Board of Directors on [•] and is signed on its behalf.

By Order of the Board

**Mark Hodges**

**Chair**

**23 April 2025**

## **INDEPENDENT AUDITOR'S REPORT**

To the members of InvestAcc Group Limited

Opinion

This We have audited the consolidated financial statements of InvestAcc Group Limited (the "Company") and together with its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"); and
- have been prepared in accordance with the requirements of the BVI Business Companies Act 2004, as amended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jersey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

| Key audit matter  | How our audit addressed the matter   | Key observations communicated to those charged with governance   |
|---|--|--|
| <b>Acquisition accounting</b><br><br>The risk that the acquisition transaction has not been accounted for in accordance with the applicable accounting standard, IFRS 3.<br><br>Financial statement impact: <ul style="list-style-type: none"><li>• Consideration £41,512,317</li><li>• Note 26 for full impact</li></ul> | <p>We reperformed the acquisition date calculations made for determining goodwill, substantiating key inputs against supporting documentation.</p> <p>We evaluated and challenged the reasonableness of management's and management's experts' assumptions made in determining the acquisition date fair values of assets acquired and liabilities assumed.</p> <p>We evaluated the reasonableness of critical estimates made including useful economic lives, growth &amp; attrition rates, and the forecast periods used in determining fair values.</p> | <p>Based on the procedures performed, we are satisfied that the acquisition accounting performed by management for the period ended 31 December 2024, along with the related disclosures in the consolidation financial statements, are appropriate.</p> <p>We have nothing further to report to those charged with governance from our testing.</p> |

| Key audit matter   | How our audit addressed the matter  | Key observations communicated to those charged with governance  |
|--|---|---|
| <b>Fraud in relation to revenue recognition</b><br><br><b>Newly acquired subsidiaries:</b> Revenue primarily arises from contracts with customers for the provision of pension advice and related services which is recognised in line with the principles as set out in IFRS 15. There is a risk that the | <b>For revenue generated by the newly acquired subsidiaries we:</b><br><br>We obtained and documented an understanding of the entity's revenue recognition process and relevant controls; | Based on the procedures performed, we are satisfied that the revenue recognition policies and practices applied by management for the period ended 31 December 2024, along with the related |

| revenue is misstated because of the incorrect application of IFRS 15 principles.<br><b>Key audit matter</b>   | <b>How our audit addressed the matter</b><br>We assessed the effectiveness of these controls by performing a walkthrough over a sample of transactions;  | disclosures in the consolidated financial statements are appropriate with governance<br><b>Key observations communicated to those charged with governance</b>                    |
|---|--|--|
| <p>Financial statement impact:</p> <ul style="list-style-type: none"> <li>Revenue £2,532,329 (PY: £nil)</li> <li>Accounting Policy 2(f)</li> <li>Note 5</li> </ul> <p><b>InvestAcc Group Limited:</b></p> <p>Revenue primarily arises from interest income and there is a risk that this is misstated or recorded in the incorrect accounting period.</p> <p>Financial statement impact:</p> <ul style="list-style-type: none"> <li>Finance (Costs)/Income £525,968 (PY: £359,367)</li> <li>Accounting Policy 2(f)</li> <li>Note 9</li> </ul> | <p>We traced a sample of revenue transactions through to the underlying agreements to assess whether the performance obligations had been appropriately met to qualify for revenue recognition;</p> <p>We performed cut-off testing over a sample of contracts to ensure that revenue/contract liabilities were appropriately recognised;</p> <p>We inquired from the board about their awareness of any fraudulent activities; and</p> <p>We reviewed minutes of board and audit committee meetings; and performed substantive analytical procedures where the data allowed.</p> <p><b>For interest income we:</b></p> <p>Obtained and reviewed bank statements, ledgers, and minutes of board meetings to ensure revenue was complete and as per our expectations.</p> | <p>Our testing did not identify any indications of fraud in revenue recognition.</p> <p>We have nothing further to report to those charged with governance from our testing.</p> |

### Our Application of Materiality

Materiality for the consolidated financial statements as a whole was set at £1,510,000 (prior year ("PY"): £73,000), determined with references to a benchmark of the Group's net assets, of which it represents 3.75% (PY: 4%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the consolidated financial statements as a whole.

Performance materiality was set at 70% (PY: 70%) of materiality for the consolidated financial statements as a whole, which equates to £1,057,000 (PY: £51,000). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Board of Directors any uncorrected omissions or misstatements exceeding £75,500 (PY: £3,600), in addition to those that warranted reporting on qualitative grounds.

Due to our assessed risk we have applied a specific materiality calculated at 1.5% of total annualised income, which equates to £173,000 (PY: £20,060) for certain balances in the Consolidated Statement of Comprehensive Income, namely Revenue and Administrative Expenses. A specific performance materiality of 70% was used in the performance of our procedures which equates to £121,000.

We have reported to you any uncorrected omissions of misstatements in these line items exceeding £8,650, in addition to those that warranted reporting on qualitative grounds

### Conclusions relating to Going Concern

In auditing the consolidated financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the consolidated 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's ability to continue as a going concern for a period of at least twelve months from when the consolidated 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.

### **Other Information**

The other information comprises the information included in the annual report other than the consolidated financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the consolidated 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 consolidated 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 consolidated financial statements themselves. If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of the Directors**

As explained more fully in the Directors' responsibilities statement set out on page 48 and 49, the Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Enquiry of management to identify any instances of non-compliance with laws and regulations, including actual, suspected or alleged fraud;
- Reading minutes of meetings of the Board of Directors;
- Review of legal invoices;
- Review of management's significant estimates and judgements for evidence of bias;
- Review for undisclosed related party transactions;
- Obtained and reviewed bank statements as well as reviewed ledgers and minutes to ensure finance income is complete and as per our expectations;
- Using analytical procedures to identify any unusual or unexpected relationships; and
- Undertaking journal testing, including an analysis of manual journal entries to assess whether there were large and/or unusual entries pointing to irregularities, including fraud.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. The auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

### Other Matters which we are Required to Address

We were appointed by InvestAcc Group Limited to audit the consolidated financial statements. Our total uninterrupted period of engagement is 4 years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting our audit. Our audit opinion is consistent with the additional report to the Board in accordance with ISAs.

### Use of this Report

This report is made solely to the Members of the Company, as a body, in accordance with our letter of engagement dated 16 December 2024. Our audit work has been undertaken so that we might state to the 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 Company and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Sandy Cameron**

**For and on behalf of Baker Tilly Channel Islands Limited**

Chartered Accountants

St Helier, Jersey

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  |      | 6 months ended<br>31 December<br>2024 | Year ended<br>30 June<br>2024 |
|--|------|---------------------------------------|-------------------------------|
|  | Note | £'s                                   | £'s                           |
| Revenue  | 5    | 2,532,329                             | -                             |
| Cost of sales  |      | (240,847)                             | -                             |
| <b>Gross profit</b>  |      | <b>2,291,482</b>                      | <b>-</b>                      |
| Administrative expenses  | 8    | (4,536,845)                           | (3,909,470)                   |
| Other operating income   |      | 3,212                                 | -                             |
| <b>Operating Loss</b>  | 6    | <b>(2,242,151)</b>                    | <b>(3,909,470)</b>            |
| Share of retained profit of associates                           | 14   | 2,805                                 | -                             |
| Finance income   | 9    | 525,968                               | 359,367                       |
| Finance costs  | 9    | (9,832)                               | -                             |
| Movement in fair value of warrants                               | 24   | 240,000                               | 579,000                       |
| <b>Loss for the period / year before tax</b>                     |      | <b>(1,483,210)</b>                    | <b>(2,971,103)</b>            |
| Income tax   | 10   | 2,820,285                             | -                             |
| <b>Profit / (Loss) for the year</b>                              |      | <b>1,337,075</b>                      | <b>(2,971,103)</b>            |
| Total other comprehensive income                                 |      | -                                     | -                             |
| <b>Total comprehensive profit / (loss) for the period / year</b> |      | <b>1,337,075</b>                      | <b>(2,971,103)</b>            |
| <b>Profit / (Loss) per ordinary share</b>                        |      | <b>£'s</b>                            | <b>£'s</b>                    |
| Basic  | 11   | 0.0298                                | (0.2339)                      |
| Diluted  | 11   | 0.0288                                | (0.2339)                      |

The Group's activities derive from continuing operations.

There are no further items of comprehensive income other than those shown above

The Notes on pages 61 to 94 form an integral part of these Financial Statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|                                      |        | As at 31<br>December<br>2024 | As at<br>30 June<br>2024 |
|--------------------------------------|--------|------------------------------|--------------------------|
|                                      | Note   | £'s                          | £'s                      |
| <b>Assets</b>                        |        |                              |                          |
| <b>Non- current assets</b>           |        |                              |                          |
| Property, plant and equipment        | 16     | 1,098,364                    | -                        |
| Right-of-use assets                  | 17, 23 | 463,506                      | -                        |
| Goodwill                             | 13     | 12,169,000                   | -                        |
| Other Intangible assets              | 15     | 25,460,914                   | -                        |
| Investment in associates             | 14     | 16,159                       | -                        |
| Deferred tax asset                   | 22     | 2,896,518                    | -                        |
| <b>Total non-current assets</b>      |        | <b>42,104,461</b>            | <b>-</b>                 |
| <b>Current assets</b>                |        |                              |                          |
| Trade and other receivables          | 18     | 706,991                      | 1,069,959                |
| Contract assets                      | 5      | 265,415                      | -                        |
| Current tax receivable               |        | 695,965                      | -                        |
| Cash and cash equivalents            | 19     | 13,424,847                   | 6,461,475                |
| <b>Total current assets</b>          |        | <b>15,093,218</b>            | <b>7,531,434</b>         |
| <b>Total assets</b>                  |        | <b>57,197,679</b>            | <b>7,531,434</b>         |
| <b>Equity and liabilities</b>        |        |                              |                          |
| <b>Equity</b>                        |        |                              |                          |
| Ordinary Shares                      | 25     | 45,894,484                   | 326,700                  |
| A Shares                             | 25     | -                            | 10,320,000               |
| Sponsor Shares                       | 25     | 1                            | 1                        |
| Warrant cancellation reserve         | 24     | 1,680,000                    | -                        |
| Ordinary Shares Warrants             | 24     | 168,000                      | -                        |
| Share-based payment reserve          | 27, 29 | 277,566                      | 255,811                  |
| Accumulated losses                   | 27     | (7,732,541)                  | (9,069,616)              |
| <b>Total equity</b>                  |        | <b>40,287,510</b>            | <b>1,832,896</b>         |
| <b>Non-current liabilities</b>       |        |                              |                          |
| Lease liabilities                    | 23     | 365,515                      | -                        |
| Deferred tax liability               | 22     | 6,539,736                    | -                        |
| Provisions                           | 21     | 54,624                       | -                        |
| <b>Total non-current liabilities</b> |        | <b>6,959,875</b>             | <b>-</b>                 |
|                                      |        | As at 31<br>December<br>2024 | As at<br>30 June<br>2024 |
|                                      | Note   | £'s                          | £'s                      |
| <b>Current liabilities</b>           |        |                              |                          |
| Trade and other payables             | 20     | 7,726,935                    | 3,610,538                |
| Ordinary Shares Warrants             | 24     | -                            | 2,088,000                |
| Contract liabilities                 | 5      | 2,105,445                    | -                        |
| Lease liabilities                    | 23     | 117,914                      | -                        |
| <b>Total current liabilities</b>     |        | <b>9,950,294</b>             | <b>5,698,538</b>         |
| <b>Total liabilities</b>             |        | <b>16,910,169</b>            | <b>5,698,538</b>         |
| <b>Total equity and liabilities</b>  |        | <b>57,197,679</b>            | <b>7,531,434</b>         |

The Notes on pages 61 to 94 form an integral part of these Financial Statements.

The Financial Statements were approved and authorised for issue by the Board of Directors on [x] and were signed on its behalf by:

**Mark Hodges**  
Non-Executive Chairman

**Martin Potkins**  
Director

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|                                       | Note | Ordinary<br>Shares | A Shares          | Sponsor<br>Share | Share<br>based<br>payment<br>reserve | Warrant<br>Cancellation<br>reserve |
|---------------------------------------|------|--------------------|-------------------|------------------|--------------------------------------|------------------------------------|
|                                       |      | £'s                | £'s               | £'s              | £'s                                  | £'s                                |
| <b>Balance at 1 July 2023</b>         |      | <b>326,700</b>     | <b>10,320,000</b> | <b>1</b>         | <b>201,641</b>                       | -                                  |
| Total comprehensive loss for the year |      | -                  | -                 | -                | -                                    | -                                  |
| Share-based payment charge            | 29   | -                  | -                 | -                | 43,510                               | -                                  |
| Issuance of A1 incentive shares       |      | -                  | -                 | -                | 10,660                               | -                                  |
| <b>Balance at 30 June 2024</b>        |      | <b>326,700</b>     | <b>10,320,000</b> | <b>1</b>         | <b>255,811</b>                       | -                                  |

|   | Note   | Ordinary<br>Shares | A Shares          | Sponsor<br>Share | Share<br>based<br>payment<br>reserve | Warrant<br>Cancellation<br>reserve |
|---|--------|--------------------|-------------------|------------------|--------------------------------------|------------------------------------|
|   |        | £'s                | £'s               | £'s              | £'s                                  | £'s                                |
| <b>Balance at 1 July 2024</b>                   |        | <b>326,700</b>     | <b>10,320,000</b> | <b>1</b>         | <b>255,811</b>                       | -                                  |
| Total comprehensive profit for the period       |        | -                  | -                 | -                | -                                    | -                                  |
| A Shares reclassified to Ordinary Shares        | 25     | 10,320,000         | (10,320,000)      | -                | -                                    | -                                  |
| Cancellation of A Warrants                      | 24     |                    |                   |                  |                                      | 1,680,000                          |
| Share-based payment charge                      | 29     | -                  | -                 | -                | 21,755                               | -                                  |
| Issuance of Ordinary Shares for acquisition     | 25, 26 | 29,096,873         | -                 | -                | -                                    | -                                  |
| Ordinary Shares Warrants - reclassified         | 24     | -                  | -                 | -                | -                                    | -                                  |
| Shareholder's Loan converted to Ordinary Shares | 25     | 6,150,911          | -                 | -                | -                                    | -                                  |
| <b>Balance at 31 December 2024</b>              |        | <b>45,894,484</b>  | <b>-</b>          | <b>1</b>         | <b>277,566</b>                       | <b>1,680,000</b>                   |

The Notes on pages 61 to 94 form an integral part of these Financial Statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

|   |      | 6 months ended<br>31 December<br>2024 | Year ended<br>30 June<br>2024 |
|---|------|---------------------------------------|-------------------------------|
|   | Note | £'s                                   | £'s                           |
| <b>Operating activities</b>   |      |                                       |                               |
| Loss for the period / year  |      | (1,483,210)                           | (2,971,103)                   |
| <b>Adjustments to reconcile total operating loss to net cash flows:</b> |      |                                       |                               |
| Depreciation charges  | 16   | 47,400                                | -                             |
| Finance income  | 9    | (525,968)                             | (359,367)                     |
| Finance costs   | 9    | 9,832                                 | -                             |
| Share of retained (profit) of associate                                 | 14   | (2,805)                               | -                             |
| Fair value (gain) on warrant provision                                  | 24   | (240,000)                             | (579,000)                     |
| Share-based payment expense   | 29   | 21,755                                | 43,510                        |
| Amortisation of Intangibles   | 15   | 399,557                               | -                             |
| Amortisation of Right of use assets                                     | 17   | 32,456                                | -                             |
| <b>Working capital adjustments:</b>                                     |      |                                       |                               |
| Decrease / (Increase) in trade receivables                              | 18   | 626,284                               | (834,339)                     |
| Decrease in contract assets   | 5    | 185,916                               | -                             |
| Decrease in contract liabilities  | 5    | 106,470                               | -                             |
| (Decrease) / Increase in trade and other payables                       | 20   | (2,334,502)                           | 2,385,231                     |
| <b>Cash generated / (used in) operations</b>                            |      | <b>(3,156,815)</b>                    | <b>(2,315,068)</b>            |
| Tax paid  |      | (211,212)                             | -                             |
| <b>Net cash generated / (used in) operations</b>                        |      | <b>(3,368,027)</b>                    | <b>(2,315,068)</b>            |
| <b>Investing activities</b>   |      |                                       |                               |



|   |    |                     |                  |
|---|----|---------------------|------------------|
| Purchase of tangible assets   | 16 | (238,416)           | -                |
| Interest received   | 9  | 525,968             | 359,367          |
| Acquisition of subsidiary   | 26 | (19,014,396)        | -                |
| <b>Net cash flows (used in) /received from investing activities</b> |    | <b>(18,726,844)</b> | <b>359,367</b>   |
| <b>Financing activities</b>   |    |                     |                  |
| Proceeds from issue of ordinary A share capital                     | 25 | -                   | 10,660           |
| Proceeds from issue of Ordinary Shares                              | 25 | 29,096,873          | 623,068          |
| Interest paid   |    | (378)               | -                |
| Lease payments  | 23 | (38,252)            | -                |
| <b>Net cash flows received from financing activities</b>            |    | <b>29,058,243</b>   | <b>633,728</b>   |
| Net increase / (decrease) in cash and cash equivalents              |    | 6,963,372           | (1,321,973)      |
| Cash and cash equivalents at the beginning of the period / year     |    | 6,461,475           | 7,783,448        |
| <b>Cash and cash equivalents at the end of the period / year</b>    | 19 | <b>13,424,847</b>   | <b>6,461,475</b> |

The Notes on pages 61 to 94 form an integral part of these Financial Statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

InvestAcc Group Limited (formerly Marwyn Acquisition Company II Limited) (the "Company") was incorporated on 31 July 2020 in the British Virgin Islands ("BVI") as a BVI business company (registered number 2040956) under the BVI Business Company Act, 2004. The Company was listed on the Main Market of the London Stock Exchange on 4 December 2020 and has its registered address at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, VG1110, British Virgin Islands and UK establishment (BR022831) at 11 Buckingham Street, London WC2N 6DF.

The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share or debt purchase, reorganisation or similar business combination with one or more businesses. The Directors consider there to be no ultimate controlling party.

The Company acquired InvestAcc Holdings Limited (formerly InvestAcc Group Limited) ("InvestAcc") on 9 October 2024 for £41.5 million, representing an enterprise value of approximately £36 million on a cash-free-debt-free basis. The Acquisition was partly funded via a £30 million institutional placing and subscription (effective 4 July 2024) of which cash of £29,210,495 was paid alongside the issue of 6,150,911 Consideration Shares, with an additional deferred cash payment to sellers of £6,150,911 following completion (which has been settled in full after 31 December 2024). It is the Company's platform from which to continue to execute its strategy to build the UK's leading specialist pensions administration business in the public markets with an initial focus on the self-invested personal pension segment. The entities forming part of the Group are detailed in Note 12 (all direct and indirect subsidiaries, together with the Company, the "Group"). The Company changed its name from Marwyn Acquisition Company II Limited to InvestAcc Group Limited on 10 October 2024, following the completion of acquisition of InvestAcc.

The accounting reference date was changed from 30 June to 31 December, resulting in a shortened accounting period of six months, with the results of the acquired entity being included for the period from 9 October to 31 December 2024. The comparative period presented is for the year to 30 June 2024 and is therefore not directly comparable to the six month period to 31 December 2024, as they are for different time periods.

All companies forming part of the Group have also amended their accounting reference date to 31 December to align with the Company.

### 2. MATERIAL ACCOUNTING POLICIES

#### (a) Basis of preparation

The Financial Statements for the period ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards and IFRS Interpretations Committee interpretations as adopted by the European Union (collectively, "EU adopted IFRS" or "IFRS") and are presented in British pounds sterling, which is the presentation and functional currency of the Group. The Financial Statements have been prepared

under the historical cost basis, except relating to the prior period, for the revaluation of certain financial instruments which have been measured at fair value at the end of the prior reporting period, as explained in the accounting policies below. The Financial Statements present the results for the six-month period to 31 December 2024 with a comparative year to 30 June 2024. Due to the shortening of the financial period end and the acquisition during the period, the periods are not directly comparable as noted in the General Information above.

The preparation of the Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 3.

The material accounting policies adopted in the preparation of the Financial Statements are set out below. The policies have been consistently applied throughout the current and prior year presented.

#### **(b) Going concern**

The Group meets its day-to-day working capital requirements from the positive cash flows generated by its trading activities and its available cash resources. The information in these Financial Statements has been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due within the next 12 months from the date of approval.

## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

The Directors confirm that they have re-assessed the principal risks and reviewed current performance and forecasts, combined with expenditure commitments and including capital expenditure. The Group's forecasts demonstrate it should generate profits and cash in the period ending 31 December 2025 and beyond and the Directors are satisfied that the Group has sufficient cash reserves to enable it to meet its obligations as they fall due for a period of at least 12 months from the date of signing these financial statements.

At 31 December 2024, the Group has net assets of £40,287,510 (30 June 2024: £1,832,896) and a cash balance of £13,424,847 (2024: £6,461,475).

#### **(c) New standards and amendments to International Financial Reporting Standards**

*Standards, amendments and interpretations effective and adopted by the Group:*

IFRSs applicable to the Financial Statements of the Group have been applied for the six-month period ending 31 December 2024 as well as for the comparative year. The application of these standards have no material impact on the financial results or presentation.

*Standards, amendments and interpretations issued but not yet effective:*

The following standards are issued but not yet effective. The Group intends to adopt these standards, if applicable, when they become effective. It is not currently expected that these standards will have a material impact on the Group.

| <b>Standard</b>  | <b>Effective date</b> |
|--|-----------------------|
| Amendments to IAS 21 Lack of exchangeability*;   | 1 January 2025        |
| Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments*; | 1 January 2026        |
| IFRS 18 - Presentation and Disclosure in Financial Statements*; and                                  | 1 January 2027        |
| IFRS 19 - Subsidiaries without Public Accountability: Disclosures*                                   | 1 January 2027        |
| *Subject to EU endorsement   |                       |

#### **(d) Basis of consolidation**

The Consolidated Financial Statements consolidate the financial statements of the Company, and its subsidiary undertakings drawn up to each relevant period end date.

A subsidiary is an entity controlled by the Company. Subsidiaries are fully consolidated from the date on which control is transferred to the Group or, if created directly, the subsidiary has been incorporated. The Group obtains control over an entity when it has:

- Power over the entity
- Exposure, or rights, to variable returns from its involvement with the entity
- The ability to use its power over the entity to affect the amount of the Group's returns

Where applicable, the results of subsidiaries acquired during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition. Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with those used

by the Group.

The acquisition method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

Inter-company transactions, balances, and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full on consolidation.

### **(e) Associated undertakings**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The Consolidated Financial Statements includes the Group's share of the total comprehensive income of the associate on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases.

### **(f) Revenue recognition**

The Group generates revenue from the provision of pension advice to clients and related services.

To determine whether to recognise revenue, the Group follows the 5-step process as set out within IFRS 15:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

The revenue and profits recognised in any period are based upon the delivery of performance obligations and an assessment of when services are delivered to the customer.

Revenue is primarily generated in one of two ways: the receipt of advisory fees on the referral of clients, and the provision of pension administration services direct to customers.

#### ***Financial advice - Wealth management and appointed representatives***

Income is earned by the Group from the provision of financial advice to clients, for which an advisor charge is received. The Group has a contract with the individual to whom pension advice is being provided, and an advisor charge is payable to the Group based on the advice given and level of funds being invested. This becomes payable once the client has passed a 'cooling off' period, which is referred to as the 'on risk' date.

The Group considers that there is a single performance obligation, being the provision of financial advice, which is satisfied at a point in time being the 'on risk' date. Revenue is therefore recognised on that date.

Policies sold on an indemnity basis are potentially subject to a clawback. A provision is included for any such clawbacks, although these are rare in practice.

The Group also earns income from the provision of services to appointed representatives. In these situations, the customer with whom the Group has a contract is the appointed representative rather than the individual to whom pension advice is being provided.

#### ***Pension administration services***

The Group's subsidiary, InvestAcc Pension Administration Services Limited (**IPA**) provides various products that are structured around advice and services to those wishing to invest in two types of pension plans: Self-Invested Personal Pensions (**'SIPPs'**) and Small Self-Administered Schemes (**'SSASs'**).

IPA earns revenue from agreements with each customer that are governed by a 'schedule of fees.' Under these agreements, IPA collects an annual fee for the services to be provided which include scheme set-up, ongoing management, administration and the provision of an annual valuation report.

There are therefore a number of performance obligations included in the contract with the customer. However, only the initial set-up of the scheme is considered to be a distinct performance obligation. In the first year of the scheme, revenue is considered to be mainly derived from the set-up and is therefore recognised at the date of commencement.

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

The remaining services are considered to represent a collection of performance obligations that are not consumed separately by the customer and could occur at any point over the annual term. These are therefore considered to be a collection of non-distinct performance obligations that are delivered over time and are recognised on a straight-line basis over the term of the contract from the second year onwards.

SIPP products are billed annually in advance, resulting in deferred income being recognised in the balance sheet. This is reflected as a current liability as all remaining income will be recognised in the period following the balance sheet date.

SSAS products are billed annually in arrears, resulting in accrued income being recognised in the balance sheet and included in receivables.

### *Treasury interest income*

The Group receives a share of interest on monies deposited with banks relating to client pension arrangements. This is considered to be part of the Group's normal trading activities and is therefore recognised within revenue rather than finance income. Interest is recognised over time as it accrues on the accounts and is received on a monthly basis.

### **(g) Property, plant and equipment**

Property, plant and equipment are stated at cost less depreciation. Depreciation is recognised so as to write off the cost of assets less their residual values, with the expected value of zero, over their useful lives on the following basis:

|                        |                   |
|------------------------|-------------------|
| Fixture and fittings   | 20% straight-line |
| Motor vehicles         | 18% straight-line |
| Leasehold improvements | 10% straight-line |

### **(h) Financial instruments**

#### *Investments and other financial assets*

##### *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

##### *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed to the income statement.

#### *Trade and other receivables*

The Company assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

#### *Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### *Cash and cash equivalents*

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less from inception that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current financial liabilities.

## **Warrants**

In relation to the prior period end, warrants that failed the fixed for fixed criteria were accounted for as derivative liability instruments under IAS 32 and were measured at fair value at the date of issue and were remeasured at the prior period end with the change in fair value being recognised in the Statement of Comprehensive Income. Fair value of the warrants has historically been calculated using a Black-Scholes option pricing methodology and details of the estimates and judgements used in determining the fair value of the warrants are set out in Note 3.

At 31 December 2024, warrants meeting the definition of equity are held in a separate reserve in equity and not subsequently remeasured.

### **(i) Goodwill**

Goodwill represents the amount by which the fair value of the cost of a business combination exceeds the fair value of the net assets acquired. Goodwill is not amortised and is stated as cost less any accumulated impairment losses.

The recoverable amount of goodwill is tested for impairment annually or when events or changes in circumstance indicate that it might be impaired. Impairment charges are deducted from the carrying value and recognised immediately in the income statement.

### **(j) Intangibles**

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The two acquired intangibles are as follows:

#### Branding

Branding intangible value is the deemed fair value attributable to the acquired brands.

#### Customer relationships

Customer relationships intangible is the allocated fair value of the customer relationships of the acquired companies.

The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see section related to critical estimates and judgements below).

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

| Asset                  | Useful Economic Life | Valuation method                    |
|------------------------|----------------------|-------------------------------------|
| Customer Relationships | 10 to 15 years       | Multi-Period Excess Earnings Method |
| Brand value            | 10 years             | Relief From Royalty                 |

## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **(k) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

### **(l) Pensions**

The Group participates in defined contribution pension schemes and contributions are charged to the income statement in the year in which they are due. These pension schemes are funded, and the payment of contributions is made to separately administered trust funds. The assets of the pension schemes are held separately from the Group. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **(m) Leases**

#### *The Group as lessee*

Short term leases or leases of low value are recognised as an expense on a straight-line basis over the term of the lease.

The Group recognises right-of-use assets under lease agreements in which it is the lessee. The underlying assets mainly comprise property and are used in the normal course of business. The right-of-use assets comprise the initial measurement of the corresponding lease liability payments made at or before the commencement day as well as any initial direct costs and an estimate of costs to be incurred in dismantling the asset. Lease incentives are deducted from the cost of the right-of-use asset. The corresponding lease liability is included in the consolidated statement of financial position as a lease liability.

The right-of-use asset is depreciated over the lease-term and if necessary impaired in accordance with applicable standards. The lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted using the rate implicit in the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (application of the effective interest method) and by reducing the carrying amount to reflect the lease payments made. No lease modification or reassessment changes have been made during the reporting period from changes in any lease terms or rent charges.

#### **(n) Equity**

Ordinary shares and sponsor shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised in equity as a deduction from the proceeds. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## **2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **(o) Corporation tax**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

#### **(p) Earnings per ordinary share**

The Group presents basic earnings per Ordinary Share ("EPS") data for its Ordinary Shares as disclosed in more detail in Note 11. Basic EPS is calculated by dividing the profit or loss attributable to ordinary

shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the year. Diluted EPS is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all potential dilutive Ordinary Shares Warrants and Incentive Shares which would result in Ordinary Shares.

**(q) Share based payments**

The A1 Ordinary Shares and A2 Ordinary Shares in InvestAcc (BVI) Limited (the "Incentive Shares"), represent equity-settled share-based payment arrangements under which the Group receives services as a consideration for the additional rights attached to these equity shares.

Equity-settled share-based payments to Directors and others providing similar services are measured at the fair value of the equity instruments at the grant date. Fair value is determined using an appropriate valuation technique, further details of which are given in Note 29. The fair value is expensed, with a corresponding increase in equity, on a straight-line basis from the grant date to the expected exercise date. Where the equity instruments granted are considered to vest immediately as the services are deemed to have been received in full, the fair value is recognised as an expense with a corresponding increase in equity recognised at grant date.

**2. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**(r) Warrants**

At the prior period end, warrants were accounted for as derivative liability instruments under IAS 32 and were measured at fair value at the date of issue and each subsequent balance sheet date until the point they were settled, reclassified or cancelled. Fair value of the warrants was calculated using a Black-Scholes option pricing methodology. Details of the estimates and judgements used in determining the fair value of the warrants are set out in Note 3.

At 31 December 2024, the warrants in issue (solely the Ordinary Shares Warrants as discussed in more detail in Note 24) meet the criteria of equity, and accordingly are classified in equity and recorded at fair value on initial recognition in equity. On an ongoing basis, these will not subsequently be remeasured.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Group's Financial Statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

**Key sources of estimation uncertainty**

***Identifiable assets acquired and liabilities assumed***

As required by IFRS 3, we have measured the assets acquired and liabilities assumed on the acquisition in the period at their fair value on acquisition. The fair values of contract liabilities at the acquisition date were estimated to obtain a price that would be paid to transfer the liability in an orderly transaction between market participants. The approach used was based on a market participant's estimate of the costs that will be incurred to fulfil the obligation plus a normal profit margin, based on the overall cost profile over the life of the contract.

The determination of the fair value of assets and liabilities including goodwill arising on the acquisition of the business, the acquisition of branding, customer relationships, and intellectual property, whether arising from separate purchases or from the acquisition as part of the business combination, and development expenditure, which is expected to generate future economic benefits, are based, to a considerable extent, on management's estimations. Independent specialists were engaged to review the assessment.

The fair value of these assets is determined by discounting estimated future net cash flows the asset is expected to generate where no active market for the asset exists. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets

***Goodwill impairment***

As required by IAS 36, goodwill is required to be considered for impairment at least annually or whenever indicators of impairment are present. The Directors have prepared forecasts and are satisfied that no impairment is required. The inputs and considerations of this review are outlined in Note 13.

### **3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)**

On 4 July 2024, the Company announced the successful placing of and subscription for 30 million New Ordinary Shares, at a price of £1 per share. On this date the Company also announced that the 12,000,000 A Warrants then in issue has been surrendered and cancelled. This affected both the classification of the remaining Ordinary Shares Warrants at 31 December 2024, and the method used to ascertain fair value of both the Ordinary Shares Warrants and A Warrants at 30 June 2024.

#### *Classification of Ordinary Shares Warrants*

As the New Ordinary Shares issued were issued at £1 each, this supported the Directors' view that the downward adjustment clause in the Warrant Instrument (as defined in note 24) is highly unlikely to be relevant and therefore that the warrants meet the fixed for fixed criteria of IAS 32. Accordingly, the Ordinary Shares Warrants were reclassified from liabilities to equity on 4 July 2024.

#### *Valuation of Ordinary Shares Warrants and A Warrants at 30 June 2024*

For the year ended 30 June 2024 a different approach to valuing each of the Ordinary Shares Warrants and A Warrants has been used. In years prior to 30 June 2024, both the Ordinary Shares Warrants and Ordinary Share and A warrant and A share have been valued at a combined price of £1. At 30 June 2024, for the Ordinary Shares Warrants, the market value of £1 per ordinary share has been used, being the price that the New Ordinary Shares were subscribed for without any matching warrants. As the A shares were converted into Ordinary Shares, and the matching A warrants surrendered and cancelled on 4 July 2024 it was not appropriate to value the A shares at £1 at 30 June 2024, instead, the Company continued to use an aggregate value of £1 for an A share and A warrant.

#### *Valuation of Ordinary Shares Warrants at 31 December 2024*

For the Ordinary Shares Warrants remaining in issue at 31 December 2024, the Directors are of the opinion that these warrants did not materially change in value between 30 June 2024 and their reclassification to equity on 4 July 2024, and are therefore shown in equity at the fair value reported at 30 June 2024. On an ongoing basis, these will not subsequently be remeasured.

#### *Valuation of Incentive Scheme*

The Company has issued Incentive Shares as part of the creation of a long-term incentive scheme which is valued using a Monte Carlo model. This model requires estimation and judgement surrounding the inputs of exercise price, expected volatility, risk free rate, expected dividends, and expected term of the Incentive Shares. The Ordinary A share liability held, represents the subscription price where there is an option to redeem the shares for cash in the instance of a good leaver for certain individuals, at the lower of market value and the subscription price.

Other disclosures relating to the Group's exposure to risk and uncertainties in relation to financial instruments are included in Note 28.

#### *Critical accounting judgements*

##### *Revenue recognition*

As detailed in Note 5, the recognition of revenue arising from pension administration services requires judgements and estimates to determine the appropriate allocation of revenue to performance obligations.

##### *Recognition and classification of costs relating to fundraise*

In the prior accounting year, the Company has incurred or accrued £2,621,041 of fees in connection with the acquisition of InvestAcc. These costs have been accounted for as follows:

- i. Where they are directly attributable to the issuance of shares, they are taken as a deduction from equity on the issuance of the equity, and;
- ii. Where they are not directly attributable to the issuance of shares (for example an acquisition cost or listing cost), they are recorded in the Statement of Comprehensive Income as an expense.

### **3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)**

Consistent with the Company's accounting policy, costs directly related to the prospectus are considered directly attributable to the issuance of shares, in this case being the 30 million New Ordinary Shares issued on 4 July 2024. All other costs associated with the transaction, for example acquisition related costs or costs associated with the listing of the New Ordinary Shares and conversion of the A shares into Ordinary Shares are recorded in the Statement of Comprehensive Income as an expense. As of 31 December 2024, costs amounting to £903,127 are considered to be directly attributable to the £30 million equity raise and were classified as deferred costs in the year to 30 June 2024, were released into equity following the completion of



classified as deferred costs in the year to 30 June 2024, were released into equity following the completion of the issue of the 30 million New Ordinary Shares (refer to Note 25).

#### 4. SEGMENT INFORMATION

Management currently identifies one operating segment in the Group under IFRS 8 being the provision of pension advice and related services. Although the group is organised into three separate trading companies, in practice these entities are centrally managed and controlled, and internal reporting is presented on a consolidated basis.

##### *Significant customers*

There are no individual customers comprising 10% or more of combined revenues in any period.

#### 5. REVENUE

Revenue is earned from contracts with customers within the United Kingdom.

##### *Significant judgements and policies*

The Company applies the principles of revenue recognition set out in IFRS 15. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

For revenue from wealth management and appointed representative referrals, for which the Group receives a fee, revenue is recognised at a point in time.

For pension administration services where an annual fee is charged to a customer, revenue is recognised 'over time' as control of the performance obligation is transferred to the customer. This particular element of revenue recognition requires judgement. The Directors have concluded that, for fees charged in the first year, revenue represents services already delivered (e.g. the set up of the scheme) and the income is therefore recognised when billed. For subsequent years, revenue represents a number of non-distinct services for which there are no standalone prices. Revenue is therefore recognised evenly on a monthly basis over the course of the year.

Treasury interest income received from banks holding client monies on interest sharing arrangements is recognised on a monthly basis.

##### *Disaggregation of revenue*

The Directors consider that, based on the characteristics of the work being performed and the consequential effect on the nature of revenue recognition, there are four categories of revenue. An analysis of the revenue recognised in each year is shown below.

#### 5. REVENUE (CONTINUED)

|                                  | For the 6 months<br>ended<br>31 December 2024<br>£'s | For the year<br>ended<br>30 June 2024<br>£'s |
|----------------------------------|--|--|
| Pension administration services  | 1,358,822  | -  |
| Wealth management                | 580,309  | -  |
| Appointed representative revenue | 220,990  | -  |
| Treasury interest income         | 372,208  | -  |
|                                  | <u>2,532,329</u>                                     | <u>-</u>                                     |

##### *Contract balances*

As noted above, for pension administration services the timing of billing is such that invoicing does not necessarily represent the timing of services. As a result, contract assets and liabilities arise depending on whether the services are billed in arrears (for Small Self-Administered Schemes) or in advance (Self-Invested Personal Pensions). In both cases, the contract asset or liability will be realised in the following year.

All deferred income included in the balance sheet at 31 December 2024 is expected to reverse within one year.

The balances included as follows.

|                                       | As at<br>31 December 2024<br>£'s | As at<br>30 June 2024<br>£'s |
|---------------------------------------|----------------------------------|------------------------------|
| Accrued income- contract assets       | 265,415                          | -                            |
| Deferred income- contract liabilities | (2,105,445)                      | -                            |

## 6. OPERATING LOSS

Loss for the year has been arrived at after charging:

|   | For the 6 months<br>ended<br>31 December<br>2024<br>£'s | For the year<br>ended<br>30 June 2024<br>£'s |
|---|---|--|
| Depreciation of property, plant and equipment | 47,400  | -  |
| Amortisation of right of use assets           | 32,456  | -  |
| Amortisation of Intangibles                   | 399,557   | -  |

## 7. EMPLOYEES AND DIRECTORS

During the period ended 31 December 2024, the Company had seven serving Directors: James Corsellis, Mark Hodges, Will Self, James Pearce (resigned 19 December 2024), Giovanni Castagno, Helen Copinger-Symes and Martin Potkins. The Company has 110 employees at the period end who were not Directors of the Company during the year (30 June 2024: One).

## 7. EMPLOYEES AND DIRECTORS (CONTINUED)

The Company's subsidiary has issued Incentive Shares directly to Will Self and Mark Hodges. James Corsellis is indirectly beneficially interested in the Incentive Shares through his interest in MLTI. Further detail is disclosed in Note 29. James Pearce had been issued incentive shares in the prior year, however, on his resignation he transferred these back to the Company at a price of £0.01 per share, and these were held in treasury and post year end were subsequently transferred back to InvestAcc (BVI) Limited and cancelled. Further incentive shares have been issued post period end as disclosed in Note 33.

### (a) Employment costs for the Group during the year:

|                                | For the 6<br>months ended<br>31 December<br>2024<br>£'s | For the year<br>ended 30 June<br>2024<br>£'s |
|--------------------------------|---|--|
| Directors' salaries            | 584,649   | 668,019                                      |
| Staff salaries                 | 999,067   | 118,180                                      |
| Social security costs          | 239,031   | 114,803                                      |
| Bonus provision                | 435,263   | 59,026                                       |
| Pension contributions          | 28,713  | 29,218                                       |
| Short term employee benefits   | 8,672   | 4,468  |
| Termination benefits           | 10,000  | -  |
| Total employment costs expense | <u>2,305,395</u>  | <u>993,714</u>                               |

James Pearce was entitled to an annual gross salary of £220,000, a 5% employer pension contribution and to a transactional bonus of up to £100,000 on the completion of the Acquisition. James resigned on 19 December 2024, included in Directors fees is £84,333 in lieu of notice and included in termination benefits of £10,000

for loss of office. In the year to 30 June 2024, James Pearce received signing on fee of £19,710 in addition to his salary, which was used to pay the subscription price for his Incentive Shares as further detailed in Note 29.

Mark Hodges in respect of his appointment as Non-Executive Director and Chairman is entitled to an annual fee of £250,000.

Will Self in respect of his appointment as Chief-Executive Officer is entitled to an annual gross salary of £320,000, employer pension contribution of 8% of Gross salary and car allowance of £10,000. There are provisions for discretionary annual bonuses to be paid up to the maximum value of 75% of his salary, provided performance targets are met. In the period ended 31 December 2024, he was awarded a transactional bonus of £240,000 and has satisfied the performance conditions for further bonuses of £96,000. Of the total awarded, he was paid £180,000 prior to the period end, with £108,000 to be paid within six months of the year end, with the remaining value of £48,000 plus social security to be paid in FY2026 and FY2027, as outlined in Note 21. In the year to 30 June 2024, Will Self received a bonus of £39,315 which was used to pay the subscription price for his Incentive Shares as further detailed in Note 29.

James Corsellis in respect of his appointment as Non-Executive Director is entitled to an annual fee of £75,000.

## 7. EMPLOYEES AND DIRECTORS (CONTINUED)

Giovanni Castagno, Helen Copinger-Symes and Martin Potkins. in respect of their appointment as Independent Non-Executive Directors are each entitled to an annual fee of £80,000.

### (b) Key management compensation

During the period, the Board considered the Directors of the Company to be the key management personnel of the Group, in addition to the Chief Operating Officer and Chief Risk Officer.

|                                | For the 6<br>months ended<br>31 December<br>2024<br>£'s | For the year<br>ended 30 June<br>2024<br>£'s |
|--------------------------------|---|--|
| Fees and salaries              | 673,540   | 682,310                                      |
| Social security costs          | 148,924   | 100,973                                      |
| Bonus provision                | 450,933   | 39,315                                       |
| Pension contributions          | 8,067   | -  |
| Short term employee benefits   | 8,671   | -  |
| Termination benefits           | 10,000  | -  |
| Total employment costs expense | <u>1,300,135</u>  | <u>822,598</u>                               |

### (c) Employed persons

The average monthly number of persons employed by the Group (including Directors) during the period was as follows:

|             | For the 6 months<br>ended 31<br>December 2024<br>number | For the year<br>ended 30 June<br>2024<br>number |
|-------------|---|---|
| Directors   | 5   | 4   |
| Other staff | 110   | 1   |
|             | <u>115</u>  | <u>5</u>  |

## 8. ADMINISTRATIVE EXPENSES

|   | For the 6 months<br>ended 31<br>December<br>2024<br>£'s | For the year<br>ended 30<br>June<br>2024<br>£'s |
|---|---|---|
| <b>Group expenses by nature</b>                         |   |   |
| Personnel costs   | 2,305,395   | 993,714   |
| Acquisition related costs                               | 199,564   | 1,717,914                                       |
| Non-recurring project, professional and diligence costs | 354,825   | 115,500   |
| Professional support                                    | 901,862   | 1,007,269                                       |
| Amortisation of Intangibles                             | 399,557   | -   |
| Audit fees payable (Note 32)                            | 106,500   | 24,580  |
| Share-based payment expenses (Note 29)                  | 21,755  | 43,510  |
| Depreciation of property, plant and equipment           | 47,400  | -   |
| Sundry expenses   | 199,987   | 6,983   |
|   | <u>4,536,845</u>  | <u>3,909,470</u>                                |

Acquisition related costs are those fees expensed that were directly attributable to the Acquisition.

## 9. NET FINANCE INCOME

|  | For the 6<br>months ended<br>31 December<br>2024<br>£'s | For the year<br>ended 30 June<br>2024<br>£'s |
|--|---|--|
| Interest on cash and cash equivalents      | 525,968   | 359,367                                      |
| Lease finance costs                        | (9,454)   | -  |
| Other interest payable and similar charges | (378)   | -  |
| <b>Net finance income</b>                  | <b>516,136</b>  | <b>359,367</b>                               |

## 10. INCOME TAX

|   | For the 6<br>months ended<br>31 December<br>2024<br>£'s | For the year<br>ended 30 June<br>2024<br>£'s |
|---|---|--|
| <b>Current tax:</b>                     |   |  |
| UK corporation tax                      | -   | -  |
| Adjustments in respect of prior periods | -   | -  |
| <b>Total current tax charge</b>         | <b>-</b>  | <b>-</b>                                     |

### Deferred tax:

|   |                  |          |
|---|------------------|----------|
| Origination and reversal of temporary differences | 2,820,285        | -        |
|   | <b>2,820,285</b> | <b>-</b> |

### Tax on ordinary activities

|   | For the 6<br>months ended<br>31 December<br>2024<br>£'s | For the year<br>ended 30 June<br>2024<br>£'s |
|---|---|--|
| Reconciliation of effective rate and tax charge                                     |   |  |
| Loss on ordinary activities before tax  | (1,483,210)   | (2,971,103)                                  |
| Capital allowances  | (43,034)  | (758)  |
| Expenses not deductible for tax purposes  | 694,742   | (103,643)                                    |
| Loss on ordinary activities subject to corporation tax                              | <b>(831,502)</b>  | <b>(3,075,504)</b>                           |
| Loss multiplied by the rate of corporation tax in the UK of 25% (30 June 2024: 25%) | (207,876)   | (768,876)                                    |
| Effects of:   |   |  |
| Tax losses not utilised   | 113,371   | 768,876                                      |
| Tax Losses used in group offset   | 94,505  | -  |
| Movements in deferred taxation (Note 22)  | 2,820,285   | -  |
| <b>Total taxation credit</b>  | <b>2,820,285</b>  | <b>-</b>                                     |

## 10. INCOME TAX (CONTINUED)

The Group is tax resident in the UK and as at 31 December 2024, had cumulative tax losses available to carry forward against future trading profits of £11,279,136 (30 June 2024: £6,831,237) subject to agreement with HM Revenue & Customs. A deferred tax asset has been recognised in respect of these losses. A deferred tax asset is recognised in relation to these carried forward losses as it is probable that the tax losses can be utilised.

Pillar Two Tax reform has been considered but the Group is not of a sufficient size to be included.

## 11. EARNINGS PER ORDINARY SHARE

As set out earlier in these Financial Statements, on 4 July 2024, 30 million New Ordinary Shares were issued by the Company, the 12 million A shares then in issue were converted into Ordinary Shares and the 12 million

by the Company, the 12 million A shares then in issue were converted into Ordinary Shares and the 12 million A Warrants were redeemed and cancelled in connection with the Acquisition. On completion of the Acquisition, a further 6,150,911 Consideration Shares were issued. The treatment in prior periods of A shares as Ordinary Shares for the purposes of the EPS calculation due to the fact that both classes of share have equal rights to the residual net assets of the Company, which enables them to be considered collectively as one class per the provisions of IAS 33, remains unaffected by this reclassification and for the purposes of this note are referred to collectively as Ordinary Shares. The sponsor share has no rights to distribution rights so has been ignored for the purposes of IAS 33.

Basic EPS is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of Ordinary Shares in issue during the period. Diluted EPS is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all Ordinary Shares Warrants which would result in dilutive potential Ordinary Shares.

As more fully detailed in Note 29 and the Remuneration Report set out earlier, Incentive Shares in InvestAcc (BVI) Limited have been issued. On exercise, the value of these shares is expected to be delivered by the Company issuing new ordinary shares, and hence the Incentive Shares could have a dilutive effect, although the Company has the right at all times to settle such value in cash. Whilst the Incentive Shares can not currently be redeemed as the relevant criteria have not yet been met, as the Preferred Return has been met the Incentive Shares do have value to the incentive shareholders, and accordingly the estimated number of Ordinary Shares that would need to be issued at 31 December 2024 to satisfy the value of the LTIP have been included for the purposes of diluted EPS. Based on the incentive value at 31 December 2024, the Incentive Shares would convert into 940,440 Ordinary Shares.

| Ordinary Profit / Loss per share                           | For the 6 months ended 31 December 2024 | For the year ended 30 June 2024 |
|--|---|---------------------------------|
| Profit / (loss) attributable to owners of the parent (£'s) | 1,337,075                               | (2,971,103)                     |
| Weighted average in issue                                  | 44,834,020                              | 12,700,000                      |
| Basic profit / (loss) per ordinary share (£'s)             | 0.0298                                  | (0.2339)                        |

## 11. EARNINGS PER ORDINARY SHARE (CONTINUED)

| Diluted Profit / Loss per share                        |            |             |
|--|------------|-------------|
| Earnings for the purpose of diluted earnings per share | 1,337,075  | (2,971,103) |
| Number of shares                                       | 44,834,020 | 12,700,000  |
| Effects of potential dilutive ordinary shares          |            |             |
| Ordinary share warrants                                | 700,000    | -           |
| Incentive Shares                                       | 960,440    | -           |
| Weighted average number of ordinary shares in issue    | 46,494,460 | 12,700,000  |
| Diluted earnings / (loss) per share                    | 0.0288     | (0.2339)    |

## 12. SUBSIDIARIES

InvestAcc Group Limited is the parent company of the Group, the Group comprises the following subsidiaries as at 31 December 2024:

| Company name                                       | Nature of business | Country of incorporation | Ordinary Shares held |
|--|--------------------|--------------------------|----------------------|
| InvestAcc (BVI) Limited<br>(formerly MAC II (BVI)) | Incentive vehicle  | British Virgin Islands   | 100%                 |

| (formerly MAC II (BVI) Limited)                               | INCENTIVE VEHICLE       | BRITISH VIRGIN ISLANDS | 100%              |
|---|-------------------------|------------------------|-------------------|
| InvestAcc UK Limited (formerly MAC II UK Limited)             | Holding Company         | England                | 100% <sup>1</sup> |
| InvestAcc Holdings Limited (formerly InvestAcc Group Limited) | Holding Company         | England                | 100% <sup>1</sup> |
| InvestAcc Pension Administration Limited                      | Pension administration  | England                | 100% <sup>1</sup> |
| InvestAcc Limited   | Financial wealth advice | England                | 100% <sup>1</sup> |
| Vesta Wealth Limited  | Financial wealth advice | England                | 100% <sup>1</sup> |
| InvestAcc Pension Trustees Limited                            | Pension Funding         | England                | 100% <sup>1</sup> |

<sup>1</sup>Indirectly Held

The share capital of InvestAcc (BVI) Limited (formerly MAC II (BVI) Limited) consists of both Ordinary Shares and Incentive Shares. The Incentive Shares are non-voting and disclosed in more detail in Note 29. The registered office of InvestAcc (BVI) Limited is Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, VG1110, British Virgin Islands and has a UK Establishment address at 11 Buckingham Street, London, WC2N 6DF.

InvestAcc UK Limited (formerly MAC II UK Limited) was incorporated on 13 May 2024. The registered office of InvestAcc UK Limited is 11 Buckingham Street, London, United Kingdom, WC2N 6DF.

The registered office of InvestAcc Pension Administration Limited and InvestAcc Pension Trustees Limited is Solway House Business Park, Kingstown, Carlisle, England, CA6 4BY.

## 12. SUBSIDIARIES (CONTINUED)

The registered office of InvestAcc Limited and Vesta Wealth Limited is Unit 2 The Sidings, Port Road Business Park, Carlisle, Cumbria, United Kingdom, CA2 7AF.

Three of the subsidiaries within the group are authorised, and regulated, by the Financial Conduct Authority - InvestAcc Pension Administration Limited, InvestAcc Limited and Vesta Wealth Limited. As part of their regulatory requirements, there was a combined regulatory capital requirement of £2.4m. At 31 December 2024, in aggregate, surplus capital balances in the Group's regulated entities amounted to 295% of the capital requirement.

There are no other restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group's subsidiary.

On 4 February 2025, a further subsidiary was incorporated in the British Virgin Islands, InvestAcc IH Limited, which is 100% owned by InvestAcc (BVI) Limited.

## 13. GOODWILL

|   | Total<br>£'s |
|---|--------------|
| <b>Cost</b>   |              |
| At 1 July 2024  | -            |
| Recognised on the Acquisition of a subsidiary (Note 26) | 12,169,000   |
| At 31 December 2024                                     | 12,169,000   |
| <b>Accumulated impairment losses</b>                    |              |
| At 1 July 2024  | -            |
| Charge for the period                                   | -            |
| At 31 December 2024                                     | -            |
| <b>Net book value</b>                                   |              |
| At 31 December 2024                                     | 12,169,000   |

Goodwill has been allocated to a single cash generating unit, defined as the provision of pension advice to clients and related services. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. In making this assessment the Directors have considered the

following in determining the Fair value less cost to sell to assess the value of the CGU and by extension Goodwill:

- The Enterprise Value ("EV") of InvestAcc was determined by utilising an EV / EBITDA multiple and a last twelve months ("LTM") EBITDA, approximately £3.6m at the point the acquisition price was determined. The most recent revenue and EBITDA figures are in excess of the values which were determined to use the EV, approximately £4.0m, indicating the EV of the business is now greater;
- Market valuation multiples for precedent transactions within the pension administration and wealth management sectors demonstrate an average EV/EBITDA multiple of 12.8x for transactions between £25m and £50m, vs the EBITDA multiple used at acquisition of 10x;
- Organic revenue growth within in the period from 1 October to 31 December was strong at 4-5% and is considered the key driver of profitability given the recurring nature of the revenue; and
- There were no regulatory, legal or other environmental factors identified that would suggest that an impairment is required.

The Directors have not identified any information suggesting these key assumptions have materially changed in the period since the Acquisition. Their view of long-term growth rates remains the same, and the Group's capital structure has not changed since the Acquisition and have concluded that no impairment is required.

#### 14. INVESTMENT IN ASSOCIATES

|   | Total<br>£'s  |
|---|---------------|
| Cost  |               |
| At 1 July 2024                                      | -             |
| Recognised on the Acquisition of a subsidiary Group | 13,354        |
| Share of associates' comprehensive income           | 2,805         |
| At 31 December 2024                                 | <u>16,159</u> |

The Group holds 33% of the shares in HGH Wealth Management Limited, a company incorporated in England and Wales whose principal activity is the provision of financial planning advice.

The above represents the Group's share of the associates' net assets on an equity accounting basis. The Group's shares of the associates' comprehensive income is included in the income statement.

The Group has historically waived its entitlement to dividends in respect of its interest in HGH Wealth Management Limited.

This results in an adjustment to realign the Group's share of net assets each year (effectively representing its share of the reduction in net assets arising from the dividends). This is shown separately above but is deducted from the Group's share of profits and losses shown in the income statement. No dividends have been declared or paid in the period from acquisition to 31 December 2024.

#### 15. OTHER INTANGIBLE ASSETS

|                           | Pension<br>Administration<br>£'s | Customer relationships<br>Wealth<br>Management<br>£'s | Appointed<br>representative<br>£'s | Brand<br>£'s     | Total<br>£'s      |
|---------------------------|----------------------------------|---|------------------------------------|------------------|-------------------|
| Cost                      |                                  |   |                                    |                  |                   |
| At 1 July 2024            | -                                | -   | -                                  | -                | -                 |
| Acquisition of subsidiary | 20,755,434                       | 3,492,397   | 237,916                            | 1,374,724        | 25,860,471        |
| Additions                 | -                                | -   | -                                  | -                | -                 |
| At 31 December 2024       | <u>20,755,434</u>                | <u>3,492,397</u>                                      | <u>237,916</u>                     | <u>1,374,724</u> | <u>25,860,471</u> |
| Amortisation              |                                  |   |                                    |                  |                   |
| At 1 July 2024            | -                                | -   | -                                  | -                | -                 |
| Charge for the period     | (309,942)                        | (52,944)  | (5,410)                            | (31,261)         | (399,557)         |
| At 31 December            |                                  |   |                                    |                  |                   |

|                       |                   |                  |                |                  |                   |
|-----------------------|-------------------|------------------|----------------|------------------|-------------------|
| At 31 December 2024   | (309,942)         | (52,944)         | (5,410)        | (31,261)         | (399,557)         |
| <b>Net book value</b> |                   |                  |                |                  |                   |
| At 31 December 2024   | <u>20,445,492</u> | <u>3,439,453</u> | <u>232,506</u> | <u>1,343,463</u> | <u>25,460,914</u> |

#### 15. OTHER INTANGIBLE ASSETS (CONTINUED)

The Company has recognised customer relationships as it has demonstrated historic benefits from strong customer retention, evidenced by a low historic and current attrition rate, particularly with institutional clients, such as employers. This is largely attributable to the stickiness of its contracts, which foster long-term relationships. The estimated useful life of these amounts is 15 years for both Pension Administration Services and Wealth Management Services and 10 years for Appointed Representative Services.

The Company has recognised a value attributable to the InvestAcc Brand, as InvestAcc is a multi-award-winning platform recognized for its ability to drive growth and deliver value to its customers. The platform's reputation in the market continues to contribute positively to the Company's financial performance and growth prospect. The Brand value has an estimated useful life of 10 years.

#### 16. PROPERTY, PLANT AND EQUIPMENT

|                           | Fixtures and fittings<br>£'s | Motor vehicles<br>£'s | Leasehold improvements<br>£'s | Total<br>£'s     |
|---------------------------|------------------------------|-----------------------|-------------------------------|------------------|
| <b>Cost</b>               |                              |                       |                               |                  |
| At 1 July 2024            | -                            | -                     | -                             | -                |
| Acquisition of subsidiary | 102,923                      | 311,734               | 492,691                       | 907,348          |
| Additions                 | 14,568                       | -                     | 223,848                       | 238,416          |
| At 31 December 2024       | <u>117,491</u>               | <u>311,734</u>        | <u>716,539</u>                | <u>1,145,764</u> |
| <b>Depreciation</b>       |                              |                       |                               |                  |
| At 1 July 2024            | -                            | -                     | -                             | -                |
| Charge for the period     | 8,586                        | 16,336                | 22,478                        | 47,400           |
| At 31 December 2024       | <u>8,586</u>                 | <u>16,336</u>         | <u>22,478</u>                 | <u>47,400</u>    |
| <b>Net book value</b>     |                              |                       |                               |                  |
| At 31 December 2024       | <u>108,905</u>               | <u>295,398</u>        | <u>694,061</u>                | <u>1,098,364</u> |

#### 17. RIGHT-OF-USE ASSETS

|                           | Property<br>£'s | Total<br>£'s   |
|---------------------------|-----------------|----------------|
| <b>Cost</b>               |                 |                |
| At 1 July 2024            | -               | -              |
| Acquisition of subsidiary | 471,691         | 471,691        |
| Additions                 | 24,271          | 24,271         |
| At 31 December 2024       | <u>495,962</u>  | <u>495,962</u> |
| <b>Amortisation</b>       |                 |                |
| At 1 July 2024            | -               | -              |
| Charge for the period     | 32,456          | 32,456         |
| At 31 December 2024       | <u>32,456</u>   | <u>32,456</u>  |
| <b>Net book value</b>     |                 |                |
| At 31 December 2024       | <u>463,506</u>  | <u>463,506</u> |



## 18. TRADE AND OTHER RECEIVABLES

|  | As at<br>31 December<br>2024<br>£'s | As at<br>30 June<br>2024<br>£'s |
|--|-------------------------------------|---------------------------------|
| <b>Amounts receivable within one year:</b> |                                     |                                 |
| Trade receivables                          | 276,528                             | -                               |
| Prepayments                                | 290,293                             | 104,769                         |
| Deferred costs                             | -                                   | 903,127                         |
| Due from related party                     | -                                   | 1                               |
| Other receivables                          | 14,873                              | -                               |
| VAT receivable                             | 125,297                             | 62,062                          |
|  | <b>706,991</b>                      | <b>1,069,959</b>                |

Trade and other receivables above are stated net of expected credit loss ('ECL') provisions where necessary, which are calculated using the simplified approach grouping trade receivables on the basis of their shared credit risk characteristics.

Trade receivables are regularly reviewed for bad and doubtful debts. The Group's policy is to include a provision for impairment based on estimated credit losses. This includes an assessment where relevant of forward-looking information on macroeconomic factors that may affect the ability of customers to settle receivables. Trade receivables are written off where there is no reasonable expectation or recovery, for example where the customer has entered insolvency proceedings or where a customer has failed to make contractual payments for an extended period. As part of this assessment, the Group also considers the likelihood of any credit losses occurring in future based on previous experience and knowledge of the respective customers.

Trade and other receivables are all current and any fair value difference is not material. Trade and other receivables are assessed for impairment based upon the expected credit losses model. In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

The Directors believe the credit risk attached to its customer base is minimal, as such have taken the ECL percentage as nil.

The maturity analysis of trade receivables is

|                  | < 1 month<br>£'s | 1-2 months<br>£'s | 2-3 months<br>£'s | > 3 months<br>£'s | Total<br>£'s |
|------------------|------------------|-------------------|-------------------|-------------------|--------------|
| 31 December 2024 | 78,213           | 19,757            | 5,700             | 172,858           | 276,528      |

The expected credit loss rate on all ageing columns above is 0%. Amounts over 3 months old mostly relate to pension administration services. These are not considered impaired as collection of the relevant fees is awaiting liquidity in the underlying fund, which will occur at an unspecified future point. Instances of non-collection of these fees are very rare.

## 19. CASH AND CASH EQUIVALENTS

|                                  | As at<br>31 December<br>2024<br>£'s | As at<br>30 June<br>2024<br>£'s |
|----------------------------------|-------------------------------------|---------------------------------|
| <b>Cash and cash equivalents</b> |                                     |                                 |
| Cash at bank                     | 13,424,847                          | 6,461,475                       |
|                                  | <b>13,424,847</b>                   | <b>6,461,475</b>                |

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum short-term credit rating of B, as issued by Fitch, are accepted in the period.

## 20. TRADE AND OTHER PAYABLES

|   | As at<br>31 December<br>2024<br>£'s | As at<br>30 June<br>2024<br>£'s |
|---|-------------------------------------|---------------------------------|
| <b>Amounts falling due within one year:</b> |                                     |                                 |
| Trade payables                              | 213,110                             | 376,645                         |
| Due to a related party (Note 30)            | 6,434,230                           | 635,213                         |
| Accruals                                    | 761,875                             | 1,866,209                       |
| Other tax liabilities                       | 162,706                             | 43,456                          |
| Other creditors                             | 89,614                              | 623,615                         |
| A1 ordinary share liability (Note 29)       | 65,400                              | 65,400                          |
|   | <b>7,726,935</b>                    | <b>3,610,538</b>                |

There is no material difference between the book value and the fair value of the trade and other payables.

All trade payables are non-interest bearing and are usually paid within 30 days.

## 21. PROVISIONS

|                               | As at<br>31 December<br>2024<br>£'s |
|-------------------------------|-------------------------------------|
| <b>Cost</b>                   |                                     |
| As at 1 July 2024             | -                                   |
| Additions                     | 54,624                              |
| <b>As at 31 December 2024</b> | <b>54,624</b>                       |

The provision represents bonus due to Will Self that has been deferred. This bonus is due to be paid in equal instalments in March 2026 and March 2027, and represents 50% of the bonus to which he is entitled and expected social security costs.

## 22. DEFERRED TAX

|   | As at<br>31 December<br>2024<br>£'s | As at<br>30 June<br>2024<br>£'s |
|---|-------------------------------------|---------------------------------|
| Deferred tax liability                                    | (6,539,736)                         | -                               |
| Deferred tax asset  | 2,896,518                           | -                               |
|   | <b>(3,643,218)</b>                  | -                               |
| <b>Movement in deferred tax liability</b>                 |                                     |                                 |
| Acquisition of a subsidiary                               | (6,463,502)                         | -                               |
| Other temporary differences                               | (76,234)                            | -                               |
|   | <b>(6,539,736)</b>                  | -                               |
| <b>Movement in deferred tax asset</b>                     |                                     |                                 |
| Credit to P&L on recognition of losses                    | 2,819,784                           | -                               |
| Accelerated capital allowances and other temp differences | 76,734                              | -                               |
|   | <b>2,896,518</b>                    | -                               |

## 23. LEASES

The Group leases properties and certain items of fixtures and fittings. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset (Note 17) and a lease liability.

The Group has recognised 3 property leases in the period ended 31 December 2024. Property leases relate to sites that are used as offices as part of the Group's normal operations. There are no variable payments or extension and termination options in existence that require recognition under IFRS 16.

All future cashflows are included. The leases are not subject to rent reviews.

The Group has used the interest rate implicit in the lease for the office equipment lease where the capital value

is readily available. For property leases, the Companies have used an incremental borrowing rate of 3%, reflecting the interest rate that would be considered to be available on borrowing from third party lenders on similar assets. In undertaking the calculations for the property leases, the Group has utilised the practical expedient in IFRS 16 to use a single discount rate across a portfolio of leases with similar arrangements. The Leases do not include any residual value guarantees or restrictive covenants.

Amounts recognised in the Combined Statement of Financial Position relating to leases are:

**Right-of-use assets**

|                                    | £'s                   |
|------------------------------------|-----------------------|
| <b>Net book value</b>              |                       |
| At 1 July 2024                     | -                     |
| Acquired with Subsidiary           | 471,691               |
| Additional lease                   | 24,271                |
| Amortisation charge for the period | (32,456)              |
| At 31 December 2024                | <u><u>463,506</u></u> |

**23. LEASES (CONTINUED)**

**Maturity analysis**

|                              | As at 31 December<br>2024<br>£'s | As at 30 June<br>2024<br>£'s |
|------------------------------|----------------------------------|------------------------------|
| Due within one year          | 117,914                          | -                            |
| Due within one to five years | 365,515                          | -                            |
|                              | <u><u>483,429</u></u>            | <u><u>-</u></u>              |

**Amounts recognised in the Consolidated Statement of Comprehensive Income**

The Consolidated Statement of Comprehensive Income shows the following amounts relating to leases:

|   | For the 6 months<br>ended 31 December<br>2024<br>£'s | For the year ended<br>30 June<br>2024<br>£'s |
|---|--|--|
| Depreciation charge of right-of-use asset | 32,456   | -  |
| Interest expenses (within finance costs)  | 10,550   | -  |
|   | <u><u>43,006</u></u>                                 | <u><u>-</u></u>                              |

**Amounts recognised in the Consolidated Statement of Cash Flows**

|               | For the 6 months<br>ended 31 December<br>2024<br>£'s | For the year<br>ended 30 June<br>2024<br>£'s |
|---------------|--|--|
| Cash outflows | 38,252   | -  |
|               | <u><u>38,252</u></u>                                 | <u><u>-</u></u>                              |

**Low value leases and short-term leases**

The Group has no leases for which the low value or short-term exemptions of IFRS 16 has been applied.

**24. WARRANT LIABILITY**

|  | £'s                     |
|--|-------------------------|
| <b>Fair value of warrants at 1 July 2023</b>           | 2,667,000               |
| <i>Fair value movement of warrants:</i>                |                         |
| Warrant liability - ordinary warrants                  |                         |
| Warrant liability - Ordinary Shares Warrants           | 21,000                  |
| Warrant liability - A Warrants                         | (600,000)               |
| <i>Total fair value movement</i>                       | <u>(579,000)</u>        |
| <b>Fair value of warrants at 30 June 2024</b>          | <u><u>2,088,000</u></u> |
| <i>Transfer of warrants on cancellation to equity:</i> |                         |
| Warrant liability - ordinary warrants                  |                         |
| Warrant liability - Ordinary Shares Warrants           | (168,000)               |
| Warrant liability - A Warrants                         | (1,680,000)             |

## 24. WARRANT LIABILITY (CONTINUED)

On 4 December 2020, the Company issued 700,000 Ordinary Shares and matching warrants at a price of £1 for one ordinary share and matching warrant. Under the terms of the warrant instrument ("**Warrant Instrument**"), warrant holders are able to acquire one ordinary share per warrant at a price of £1 per ordinary share, subject to a downward price adjustment depending on future share issues prior to or in conjunction with the Company's acquisitions.

On 20 April 2021, the Company issued 12,000,000 A shares and matching warrants at a price of £1 for one A share and matching A warrant instrument. Under the terms of the A warrant instrument ("**A Warrant Instrument**"), warrant holders are able to acquire one ordinary share per warrant at a price of £1 per ordinary share, subject to a downward price adjustment depending on future share issues.

Effective 31 March 2022, both the Warrant Instrument and A Warrant Instrument were amended such that the long stop date was extended to the fifth anniversary of an initial acquisition by a member of the Group (which may be in the form of a merger, share exchange, asset acquisition, share or debt purchase, reorganisation or similar transaction) of a business. In conjunction with the Acquisition, the A Warrants were cancelled, leaving only the Ordinary Shares Warrants in issue. On 9 October 2024 the Company completed its initial acquisition, and accordingly, the Ordinary Shares Warrants were fully vested and are now exercisable for 5 years from the date of the Acquisition.

In the period from issuance to 30 June 2024, warrants were accounted for as level 3 derivative liability instruments and were measured at fair value at grant date and each subsequent balance sheet date. The Warrant Instrument and A Warrant Instruments were separately valued at the date of grant. For both the Ordinary Shares Warrants and A Warrants, the combined market value of one share and one warrant was considered to be £1, in line with the market price paid by third party investors. A Black-Scholes option pricing methodology was used to determine the fair value, which considered the exercise prices, expected volatility, risk free rate, expected dividends and expected term.

For the year ended 30 June 2024 a different approach to valuing the Ordinary Shares Warrants and A warrants has been used. In years prior to 30 June 2024, both the Ordinary Shares Warrants and Ordinary Share and A warrant and A share have been valued at a combined price of £1. At 30 June 2024, the market value of £1 per ordinary share has been used, being the price that the New Ordinary Shares were subscribed for without any matching warrants. As the A shares were converted into Ordinary Shares, and the matching A warrants surrendered and cancelled on 4 July 2024 it was not appropriate to value the A shares at £1 at 30 June 2024, instead, the Company continued to use an aggregate value of £1 for an A share and A Warrant.

At 30 June 2024, the fair value of the Warrant Instrument was assessed as 24p per warrant and the fair value of the A Warrant Instrument was assessed as 16p per warrant. The result of change in fair value of the warrants was a fair value gain of £579,000 (2023: loss of £254,000). The Directors were responsible for determining the fair value of the warrants at each reporting date, the underlying calculations are prepared by Deloitte LLP.

On 4 July 2024, the Company announced the successful placing of and subscription for 30 million New Ordinary Shares, at a price of £1 per share. On this date the Company also announced that the 12,000,000 A Warrants then in issue have been surrendered and cancelled. The cumulative unrealised gain of £240,000 relating to A warrants then in issue has been taken to the profit and loss as a fair value gain, the initial fair value ascribed to the A warrants has been transferred to the warrant cancellation reserve within equity.

As the new ordinary shares were issued at £1 each, this supported the Directors' view that the downward adjustment clause in the Warrant Instrument is highly unlikely to be relevant and therefore that the warrants meet the fixed for fixed criteria of IAS 32. Accordingly, the Ordinary Shares Warrants were reclassified to equity on 4 July 2024 at their fair value at 30 June 2024 and therefore will no longer be revalued at each period end date. The Ordinary Shares Warrants are potentially dilutive and have been included in the EPS calculation.

## 25. STATED CAPITAL

|                                | £'s               | Number            |
|--------------------------------|-------------------|-------------------|
| <b>Ordinary Shares</b>         |                   |                   |
| At 30 June 2024                | 326,700           | 700,000           |
| Shares issued for cash*        | 29,096,873        | 30,000,000        |
| Consideration Shares (Note 26) | 6,150,911         | 6,150,911         |
| Conversion of A shares         | 10,320,000        | 12,000,000        |
| Total                          | <u>45,894,484</u> | <u>48,850,911</u> |

\*Shares issued for cash are stated net of £903,127 transaction costs (previously included as deferred costs).

|                               | £'s                 | Number              |
|-------------------------------|---------------------|---------------------|
| <b>A Shares</b>               |                     |                     |
| At 30 June 2024               | 10,320,000          | 12,000,000          |
| Conversion to ordinary shares | <u>(10,320,000)</u> | <u>(12,000,000)</u> |
| Closing balance               | <u>-</u>            | <u>-</u>            |

Under the Company's Memorandum of Association, the Company is authorised to issue an unlimited number of ordinary shares and 100 Sponsor Shares of no par value, divided into five classes as follows:

- an unlimited number of Ordinary Shares without par value
- an unlimited number of class A ordinary shares without par value
- an unlimited number of class B ordinary shares without par value
- an unlimited number of class C ordinary redeemable shares without par value
- 100 Sponsor Shares without par value

The Ordinary Shares and A shares are entitled to receive a share in any distribution paid by the Company and a right to a share in the distribution of the surplus assets of the Company on a winding-up. Only Ordinary Shares have voting rights attached. The Sponsor Share confers upon the holder no right to receive notice and attend and vote at any meeting of members, no right to any distribution paid by the Company and no right to a share in the distribution of the surplus assets of the Company on a summary winding-up. Provided the holder of the Sponsor Share holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares), they have the right to appoint one Director to the Board.

The Company must receive the prior consent of the holder of the Sponsor Share, where the holder of the Sponsor Share holds directly or indirectly 5 per cent. or more of the issued and outstanding shares of the Company, in order to:

- Issue any further Sponsor Shares;
- Issue any class of shares on a non pre-emptive basis where the Company would be required to issue such share pre-emptively if it were incorporated under the UK Companies Act 2006 and acting in accordance with the Pre-Emption Group's Statement of Principles; or
- Amend, alter or repeal any existing, or introduce any new share-based compensation or incentive scheme in respect of the Group; and
- Take any action that would not be permitted (or would only be permitted after an affirmative shareholder vote) if the Company were admitted to the Premium Segment of the Official List.

## 25. STATED CAPITAL (CONTINUED)

The Sponsor Share also confers upon the holder the right to require that: (i) any purchase of Ordinary Shares; or (ii) the Company's ability to amend the Memorandum and Articles, be subject to a special resolution of members whilst the Sponsor (or an individual holder of a Sponsor Share) holds directly or indirectly 5 per

cent. or more of the issued and outstanding shares of the Company (of whatever class other than any Sponsor Shares) or are a holder of Incentive Shares.

As set out in Note 24, the A shares were converted into Ordinary Shares effective 4 July 2024 and therefore at the date of this report, the Company no longer has any A shares in issue.

## 26. BUSINESS ACQUISITION

On 9 October 2024, the Company acquired 100% of the share capital and voting equity interests of InvestAcc Holdings Limited for £41.5 million, representing an enterprise value of approximately £36 million on a cash-free-debt-free basis. The Acquisition was funded via a £30 million institutional placing and subscription (effective 4 July 2024) of which cash of £29,210,495 was paid alongside the issue of 6,150,911 Consideration Shares issued at a value of £1.00 per share, with an additional cash payment to sellers of £6,150,911 following completion, of which £6,150,911 has been paid since 31 December 2024.

The principal reason for the Acquisition was to provide the platform business to support the Company's pursuit of its strategy to build the UK's leading specialist pensions administration business in the public markets with an initial focus on the self-invested personal pension segment.

In the period from 9 October 2024 to 31 December 2024, the acquired business contributed £2,532,329 to Group revenues, and a profit of £1,166,000 to the Group's comprehensive income. The Company and InvestAcc have both changed the end of their reporting periods to 31 December to align, as a result the Directors consider it impractical create a 12 month period from January to December as the data to do so is not readily available.

InvestAcc Holdings Limited's latest financial year end, prior to Acquisition, was 31 October 2023. On Acquisition the Group extended the period ended due 31 October 2024 to 31 December 2024, to align with the Group accounting period end. The results of the InvestAcc Holdings Limited group have been consolidated in these consolidated financial statements for the period from 9 October 2024 to 31 December 2024.

The following table summarises the fair value of assets acquired, and liabilities assumed at the Acquisition date. There were no differences identified between the book value and the fair value of assets and liabilities acquired other than intangible assets

## 26. BUSINESS ACQUISITION (CONTINUED)

|                               | Fair value        |
|-------------------------------|-------------------|
|                               | £'s               |
| Property, plant and equipment | 907,348           |
| Right of use assets           | 471,691           |
| Trade and other receivables   | 263,316           |
| Contract assets               | 451,331           |
| Investment in associates      | 13,354            |
| Cash                          | 10,196,099        |
| Trade and other payables      | (354,612)         |
| Current tax payable           | 484,752           |
| Lease liabilities             | (487,956)         |
| Deferred tax liability        | (6,463,502)       |
| Contract liabilities          | (1,998,975)       |
| Customer relationships        | 24,485,747        |
| Brand                         | 1,374,724         |
| <b>Total fair value</b>       | <b>29,343,317</b> |
| Consideration                 | 41,512,317        |
| <b>Goodwill</b>               | <b>12,169,000</b> |

The consideration of £41,512,317 comprises of 6,150,911 Consideration Shares issued at a value of £1.00 per share and the remaining £35,361,406 as cash consideration.

The goodwill of £12,169,000 comprises the potential value of additional synergies which is not separately recognised. Acquisition related costs of £199,564 have been charged to the Consolidated Statement of Comprehensive Income within administration expenses in the period to 31 December 2024.

## 27. RESERVES

The following describes the nature and purpose of each reserve within shareholders' equity:

the following describes the nature and purpose of each reserve within shareholders' equity:

#### **Accumulated losses**

Cumulative losses recognised in the Consolidated Statement of Comprehensive Income.

#### **Share based payment reserve**

The share-based payment reserve is the cumulative amount recognised in relation to the equity-settled share-based payment scheme as further described in Note 29.

#### **Warrant cancellation reserve**

Warrant cancellation reserve is the cumulative fair value of warrants cancelled that are not over Ordinary Shares. The current value of the reserve represents the fair value of warrants over A Shares at cancellation.

### **28. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS**

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

Level 1: Quoted prices in active markets for identical items;

Level 2: Observable direct or indirect inputs other than Level 1 inputs; and

Level 3: Unobservable inputs, thus not derived from market data.

### **28. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)**

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the year they occur.

The Group has the following categories of financial instruments as at 31 December 2024:

|   | As at<br>31 December<br>2024<br>£'s | As at<br>30 June<br>2024<br>£'s |
|---|-------------------------------------|---------------------------------|
| <b>Financial assets measured at amortised cost</b>                          |                                     |                                 |
| Cash and cash equivalents (Note 19)   | 13,424,847                          | 6,461,475                       |
| Due from related party (Note 30)  | -                                   | 1                               |
| Trade receivables (Note 18)   | 276,528                             | -                               |
| Other receivables (Note 18)   | 14,873                              | -                               |
|   | <u>13,716,248</u>                   | <u>6,461,476</u>                |
| <b>Financial liabilities measured at amortised cost</b>                     |                                     |                                 |
| Trade payables (Note 20)  | 213,110                             | 376,645                         |
| Due to related party (Note 30)  | 6,434,230                           | 635,213                         |
| Accruals (Note 20)  | 761,875                             | 1,866,209                       |
| Other creditors (Note 20)   | 89,614                              | 623,068                         |
| A1 ordinary share liability (Note 29)                                       | 65,400                              | 65,400                          |
|   | <u>7,564,229</u>                    | <u>3,567,082</u>                |
| <b>Financial liabilities measured at fair value through profit and loss</b> |                                     |                                 |
| Warrant Liability (Note 24)   | -                                   | 2,088,000                       |
|   | <u>-</u>                            | <u>2,088,000</u>                |

All financial instruments are classified as current assets and current liabilities. There are no non-current financial instruments as at 31 December 2024.

For details of the fair value hierarchy, valuation techniques, and significant unobservable inputs related to determining the fair value of the warrant liability at the prior year end, which was classified in level 3 of the fair value hierarchy, refer to Note 24.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Treasury activities are managed on a Group basis under policies and procedures approved and monitored by the Board. These are focussed on maximising the interest earned by the Group on its cash deposits (refer Note 19) through effective management of the amount available to be placed on deposit being cognisant of the ongoing working capital requirements of the Group. Any movement in interest rates will not have a significant effect on the Group or its ability to continue to pursue its stated strategy and such movements are therefore

not considered to be a material risk to the Group.

The Group has considered the main risks associated with financial instruments: market risk, credit risk and liquidity risk. Market risk mainly arises for the pension business and is primarily borne by underlying customers. Market risk across the non-pension business is managed through diversification and monitoring of market conditions. Credit risk arises from potential default by counterparties, including banks. This is managed through limit setting and due diligence on counterparties.

## **28. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)**

Liquidity risk is the risk that the group has insufficient liquid financial resources to enable it to meet its obligations as they fall due. This is managed through maintaining a balance of liquid assets and monitoring future cash flow forecasts.

As the Group's financial instruments are predominantly cash and cash equivalents, market risk, liquidity risk and amount due to related parties are not currently considered to be material risks to the Group. The Group manages and mitigates any risks in accordance with the policy set out above. The Group does not currently engage in any hedging activity to further mitigate any residual risks.

The Directors have reviewed the risk of holding a singular concentration of assets as predominantly all credit assets held are cash and cash equivalents, however, do not deem this a material risk. All cash and cash equivalents being held with banks and financial institutions, with a minimum short-term credit rating of B, as issued by Fitch.

## **29. SHARE-BASED PAYMENTS**

### ***Management Long Term Incentive Arrangements***

The Group has put in place a Long-Term Incentive Plan ("LTIP"), to ensure alignment between Shareholders, and those responsible for delivering the Company's strategy enabling the Company to attract and retain the best executive management talent.

The LTIP will only reward the participants if shareholder value is created. This ensures alignment of the interests of management directly with those of Shareholders.

On inception of the LTIP, "Incentive Shares" were issued by the Company's subsidiary to Marwyn Long Term Incentive LP ("MLTI"). On 17 June 2022, the Incentive Shares in the Company's subsidiary were redesignated into A1 Ordinary Shares ("A1 Shares") and A2 Ordinary Shares ("A2 Shares") and the Incentive shares issued to MLTI were redesignated as A2 Shares.

Mark Hodges, Will Self, and James Pearce were issued A1 Shares on 19 June 2022, 5 June 2023, and 22 May 2024 respectively. James Pearce's shares were transferred to the Company for £0.01 per share in conjunction with his resignation on 19 December 2024 and were held in treasury. Following the balance sheet date, these shares were transferred back to the Company's subsidiary and cancelled. There were further changes to the holdings of incentive shares following the period end date which are set out in the Remuneration Report on page 42 and Note 33.

### ***Preferred Return***

The incentive arrangements are subject to the Company's shareholders achieving a preferred return. The preferred return is 10 percent per annum on a compounded basis on the capital they have invested from time to time (with dividends and returns of capital being treated as a reduction in the amount invested at the relevant time) (the "Preferred Return"). The LTIP including the Preferred Return are described in the prospectus available on the Company's website (<https://investaccgroup.com/investors>).

### ***Incentive Value***

Subject to a number of provisions detailed below, if the Preferred Return and at least one of the vesting conditions have been met, the holders of the Incentive Shares can give notice to redeem their Incentive Shares for Ordinary Shares in the Company ("Ordinary Shares") for an aggregate value equivalent to 20 per cent. of the "Growth", where Growth means the excess of the total equity value of the Company and other shareholder returns over and above its aggregate paid up share capital (20 per cent. of the Growth being the "Incentive Value").



#### ***Grant date***

The grant date of the Incentive Shares will be the date that such shares are issued.

## **29. SHARE-BASED PAYMENTS (CONTINUED)**

### **Service Conditions and Leaver Provisions**

There are leaver provisions in relation to the A1 Shares which are set out in the subscription agreements entered into between the holders of the A1 Shares, the Company and InvestAcc (BVI) Limited.

If the holder leaves in circumstances in which he or she is deemed to be a "**Good Leaver**" (being any reason other than a bad leaver circumstance), then the holder of the A1 Shares will be entitled to the vested portion of the A1 Shares and in respect of the remainder of the A1 Shares the holder will be required to enter into documentation under which, at the election of the Company or InvestAcc (BVI) Limited, the remainder of the A1 Shares will be compulsorily redeemed or acquired at the lower of the (i) the subscription price, (ii) the market value for such A1 Shares or the A1 Shares may be converted into Ordinary Shares in the Company, or (iii) £0.01 (as set out in the relevant subscription letter). Any holder deemed to be a "**Bad Leaver**" (such as termination of employment for gross misconduct, fraud or criminal acts) will be required to sell his A1 Shares back to InvestAcc (BVI) Limited or the Company for a total consideration of £0.01. As there are conditions relating to certain subscriptions whereby the unvested portion of the A1 Shares can be redeemed or acquired at the lower of the (i) the subscription price or (ii) the market value for such A1 Shares, the amount received on the issue of those A1 Shares is recognised as a liability in the Financial Statements.

### ***Redemption / Exercise***

Unless otherwise determined and subject to the redemption conditions having been met, the Company and the holders of the Incentive Shares have the right to exchange each Incentive Share for Ordinary Shares, which will be dilutive to the interests of the holders of Ordinary Shares. However, if the Company has sufficient cash resources and the Company so determines, the Incentive Shares may instead be redeemed for cash. It is currently expected that in the ordinary course Incentive Shares will be exchanged for Ordinary Shares. However, the Company retains the right but not the obligation to redeem the Incentive Shares for cash instead. Circumstances where the Company may exercise this right include, but are not limited to, where the Company is not authorised to issue additional Ordinary Shares or on the winding-up or takeover of the Company.

Any holder of Incentive Shares who exercises their Incentive Shares prior to other holders is entitled to their proportion of the Incentive Value to the date that they exercise but no more. Their proportion is determined by the number of Incentive Shares they hold relative to the total number of issued shares of the same class.

### **Vesting Conditions and Vesting Period**

The Incentive Shares are subject to certain vesting conditions, at least one of which must be (and continue to be) satisfied in order for a holder of Incentive Shares to exercise its redemption right. The vesting conditions are as follows:

- i. It is later than the third anniversary of the initial acquisition and earlier than the seventh anniversary of the Acquisition;
- ii. A sale of all or substantially all of the revenue or net assets of the business of the Subsidiary in combination with the distribution of the net proceeds of that sale to the Company and then to its shareholders;
- iii. A sale of all of the issued Ordinary Shares of the Subsidiary or a merger of the Subsidiary in combination with the distribution of the net proceeds of that sale or merger to the Company's shareholders;
- iv. Where by corporate action or otherwise, the Company effects an in-specie distribution of all or substantially all of the assets of the Group to the Company's shareholders;
- v. Aggregate cash dividends and cash capital returns to the Company's Shareholders are greater than or equal to aggregate subscription proceeds received by the Company;
- vi. A winding-up of the Company;

- vii. A winding-up of the Subsidiary; or
- viii. A sale, merger or change of control of the Company.

## 29. SHARE-BASED PAYMENTS (CONTINUED)

If any of the vesting conditions described in paragraphs (ii) to (viii) above are satisfied before the third anniversary of the initial acquisition, the Incentive Shares will be treated as having vested in full.

### *Holding of Incentive Shares*

MLTI, Mark Hodges and Will Self at the balance sheet date hold Incentive Shares entitling them in aggregate to 100 per cent. of the Incentive Value. Amendments to the Incentive Share holdings were made following the balance sheet date and are detailed on page 42 and set out in Note 29.

The following shares were in issue to management and MLTI at 31 December 2024:

| Issue date       | Name        | Share designation at balance sheet date | Nominal Price | Issue price per A ordinary share £'s | Number of A Ordinary Shares | Unrestricted market value at grant date £'s | IFRS 2 Fair value £'s |
|------------------|-------------|---|---------------|--------------------------------------|-----------------------------|---|-----------------------|
| 25 November 2020 | MLTI        | A2                                      | £0.01         | 7.50                                 | 2,000                       | 15,000                                      | 169,960               |
| 19 June 2022     | Mark Hodges | A1                                      | £0.01         | 23.50                                | 2,000                       | 47,000                                      | 166,275               |
| 5 June 2023      | Will Self   | A1                                      | £0.01         | 23.00                                | 800                         | 18,400                                      | 60,000                |

On 19 December 2024, the Company entered into a transfer agreement with James Pearce under which James transferred his 400 A1 Shares to the Company to be held in treasury. As disclosed in the Directors' Remuneration Report and in the Post Balance Sheet Event Note 33, the 400 A1 Shares previously issued to James Pearce, were subsequently transferred to InvestAcc (BVI) Limited by the Company and cancelled on 31 January 2025. On 31 January 2025, Vinoy Nursiah was issued 400 A1 Shares and the number of A1 Shares issued to Mark Hodges and Will Self was amended as set out in the Remuneration Report on page 42.

### *Valuation of Incentive Shares*

Valuations were performed by Deloitte LLP using a Monte Carlo model to ascertain the unrestricted market value and the fair value at grant date. Details of the valuation methodology and estimates and judgements used in determining the fair value are noted herewith and were in accordance with IFRS 2 at grant date.

There are significant estimates and assumptions used in the valuation of the Incentive Shares. Management considered at the grant date, the probability of a successful first Business Acquisition by the Company and the potential range of value for the Incentive Shares, based on the circumstances on the grant date.

The cumulative unrestricted market value at grant date is equal to the tax paid value of the shares. Under the terms of their subscription agreements, the tax value paid by Mark Hodges and Will Self on the subscriptions set out in the table above is payable to them in certain circumstances; accordingly, the cumulative unrestricted market value at grant date of their A1 shares, £65,400, is recognised as an A share liability (30 June 2024: £65,400), being the tax paid value of the shares. The fair value of the Incentive Shares granted under the scheme was calculated using a Monte Carlo model with the following inputs:

| Issue date       | Name        | Share designation at balance sheet date | Volatility | Risk-free rate | Expected term* (years) |
|------------------|-------------|---|------------|----------------|------------------------|
| 25 November 2020 | MLTI        | A2                                      | 25%        | 0.0%           | 7.0                    |
| 19 June 2022     | Mark Hodges | A1                                      | 30%        | 2.2%           | 7.1                    |
| 5 June 2023      | Will Self   | A1                                      | 30%        | 4.4%           | 7.2                    |

## 29. SHARE-BASED PAYMENTS (CONTINUED)

*\*The expected term assumes that the Incentive Shares are exercised 7 years post-acquisition.*

The Incentive Shares are subject to the Preferred Return being achieved, which is a market performance condition, and as such has been taken into consideration in determining their fair value. The model incorporates a range of probabilities for the likelihood of a Business Acquisition being made of a given size.

### **Expense related to Incentive Shares**

An expense of £21,755 (30 June 2024: £43,510) has been recognised in the Statement of Comprehensive Income in respect of the Incentive Shares in issue during the period. There is a service condition associated with the shares issued to both Mark Hodges and Will Self which requires the fair value charge associated with these shares to be allocated over the minimum vesting period. These vesting periods are estimated to be 4.0 years and 3.04 years respectively from the date of grant.

Under the terms of James Pearce's subscription letter, the A1 Shares that he has subscribed for would be transferred to the Company at a price of 1p per share should James not be made a permanent employee of the Group prior to the expiration of his fixed term contract. As James resigned on 19 December 2024, the transfer of his shares back to the Company was approved at that date. Following the period end date, the shares were transferred back to InvestAcc (BVI) Limited and cancelled, in conjunction with the further incentive share issuances as set out in Note 29.

There are no service conditions attached to the MLTI shares and as result the fair value at grant date was expensed to the profit and loss account on issue.

## 30. RELATED PARTY TRANSACTIONS

James Corsellis has served as a Director of the Company during the year and Antoinette Vanderpuije is the Company Secretary of the Company.

The Company issued 30 million New Ordinary Shares on 4 July 2024, of which 16,688,667 were issued to Marwyn Investment Management LLP ("**MIM LLP**"), of which James Corsellis is the Chief Investment Officer, and Antoinette Vanderpuije is a partner. As part of this transaction the 12,000,000 A shares in issue were converted to Ordinary Shares and the matching A warrants surrendered and cancelled. As a result, as at the date of this report MIM LLP manages 59.8% of Ordinary Shares in the Company. There were no balances outstanding or due to MIM LLP as at 31 December 2024 (30 June 2024: £73,068), with the balance outstanding in the comparative period being for funds received for shares to be issued.

For the period ended 31 December 2024, £50,000 of shares were issued to Will Self for the funds received prior to end of the 30 June 2024 financial year.

James Corsellis and Antoinette Vanderpuije have an indirect beneficial interest in the A2 Ordinary Shares issued by InvestAcc (BVI) Limited to Marwyn Long Term Incentive LP which is disclosed in Note 29.

Mark Hodges and Will Self, have a direct interest in the A1 Ordinary Shares issued by InvestAcc (BVI) Limited, as disclosed in Note 29.

Directors' emoluments, in relation to Mark Hodges, Will Self, James Pearce, James Corsellis, John Castagno, Helen Copinger-Symes and Martin Potkins are disclosed in Note 7 with details of Incentive Shares issued being outlined in Note 29.

As part of the consideration due in respect of the Acquisition, £6,150,911 was due to the shareholders of InvestAcc Holdings Limited, being the then parent of the InvestAcc operating group. It is only payable to those shareholders on receipt of a dividend from InvestAcc Holdings Limited to InvestAcc UK Limited. Following the period end date, an amount of £6,150,911 has been partially paid in respect of this as set out in Note 33.

On 1 October 2024 InvestAcc (BVI) Limited subscribed for 29,418,095 Ordinary Shares of £1.00 of its wholly owned subsidiary, InvestAcc UK Limited as part of the transaction to acquire InvestAcc.

## 30. RELATED PARTY TRANSACTIONS (CONTINUED)

### MCLLP services - to 30 June 2024

James Corsellis is also the managing partner of Marwyn Capital LLP ("**MCLLP**"), and Antoinette Vanderpuije is a partner, which provides corporate finance support, company secretarial, administration and accounting

services to the Company. Up to 4 July 2024, MCLLP charged a monthly fee of £52,350 per calendar month (£50,000 up to December 2023) for the provision of the corporate finance services, and managed services support was charged on a time spent basis.

The period to 30 June 2024 included one-off corporate finance service fees of £360,000 and one-off managed service fees of £180,747 in respect of Acquisition related fees.

The total amount of charges incurred, inclusive of VAT, in the year ended 30 June 2024 by MCLLP for services was £1,321,395; they had incurred expenses on behalf of the Company of £65,497; and the aggregate amount due to MCLLP at 30 June 2024 was £635,213.

#### MCLLP services - to 31 December 2024

From 4 July 2024, the engagement with MC LLP was amended. From that date, the services provided by MCLLP include the provision of strategic company secretarial services, including LSE/FCA compliance (with Antoinette Vanderpuije serving as the named company secretary) for an annual fee of £150,000.

MCLLP's additional roles include M&A, research and due diligence support, as well as equity capital markets support, M&A execution and project management of workstreams. Fees for these services will be agreed on a project-by-project basis prior to the start of the specific workstream. The fees incurred with respect of this for the period ended 31 December were £6,755.

Until such time that the Company becomes self-sufficient, MCLLP will provide company secretarial and corporate governance, reporting, human resources and other administrative support billed on a time cost basis. The amount incurred with respect of managed services for the period was £336,229, and MCLLP incurred costs on behalf of the Company of £134,882, both inclusive of VAT.

MCLLP also provides the Company's current office and infrastructure with no fee for the first 12 months, after which the fee will be reviewed semi-annually or such time as the parties agree.

The aggregate amount outstanding with respect of all services provided by MCLLP was £283,319.

### **31. COMMITMENTS AND CONTINGENT LIABILITIES**

There were no commitments or contingent liabilities outstanding at 31 December 2024 (30 June 2024: £Nil) that require disclosure or adjustment in these Financial Statements.

### **32. INDEPENDENT AUDITOR'S REMUNERATION**

Audit fees payable for the period ended 31 December 2024 were £106,500 (30 June 2024: £24,580). Fees payable for the period ended 31 December 2024 in respect of any allowable non-audit related procedures were £27,720 (30 June 2024: £203,280).

### **33. POST BALANCE SHEET EVENTS**

Of the total cash consideration outstanding of £6,150,911 (per Note 26 and Note 30), a payment of £5,300,142 on 22 January 2025 was made to the shareholders of InvestAcc representing the first tranche of deferred cash consideration. On 11 April 2025, the final amount of £850,879 representing the second tranche of deferred cash consideration was paid.

On 31 January 2025, 400 A1 Shares previously issued to James Pearce, were subsequently transferred to InvestAcc (BVI) Limited by the Company and cancelled following James' resignation on 19 December 2024. On 31 January 2025 Vinoy Nursiah was issued 400 A1 Shares conditional on commencement of his employment as permanent CFO on 1 April 2025. The number of A1 Shares in issue prior to this were subjected to a 1:5 bonus issue resulting in the number of shares held by Mark Hodges and Will Self increasing. Will Self was then issued an additional 240 A1 shares to increase his total holding to 1,200 A1 shares. Refer Note 29 for further detail the incentive share scheme and the Remuneration Report for further details.

### **33. POST BALANCE SHEET EVENTS (CONTINUED)**

On 4 February 2025, InvestAcc IH Limited was incorporated. InvestAcc IH Limited is a 100% directly owned subsidiary of InvestAcc BVI Limited.

On 27 March 2025, the InvestAcc Group announced the acquisition of the trade and assets of AJ Bell's Platinum SIPP and SSAS administration business. The transaction is expected to complete before the end of 2025 with consideration to be paid of up to £25 million. The consideration for the transaction will be funded via wider group cash resources and debt financing.

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[1] taken from the Pro Forma InvestAcc Ltd Trading Summary for the 12 month period ended 31 December 2024



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