

Foster Denovo Group Limited

Annual Report and Financial Statements

Year Ended

31 December 2025

Company Number 06033941



Foster Denovo Group Limited

Company Information

Directors	R N Brosch
	D S Currie
	H M Lovett
	J G Redman
	J M Brettell
	A J G Pitman (appointed 1 February 2025)
	P O'Leary (appointed 26 February 2025; resigned 10 October 2025)
	P J Davies (resigned 31 March 2025)
Registered number	06033941
Registered office	2nd Floor, 20 St Dunstan's Hill London EC3R 8HL
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Foster Denovo Group Limited

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Foster Denovo Group Limited

Group Strategic Report For the Year Ended 31 December 2025

Introduction

Foster Denovo Group Limited (the "Company") is a non-trading holding company for a group of companies (together, the "Group") that are collectively engaged in providing regulated financial advice, including investment management, to private clients and corporate entities. The Group provides a wide range of advice to clients relating to personal financial planning, pensions, employee benefits, mortgages, insurance and investments. The Group's operating subsidiaries that provide regulated financial advice are authorised and regulated by the Financial Conduct Authority ("FCA").

The Group's principal operating subsidiaries, all of which are 100% owned are as follows:

- Foster Denovo Limited ("FDL") – a regulated financial adviser. FDL includes the results of the Private Client and Employee Benefit divisions.
- Sequel Investments Limited ("SIL" or "Sequel") – a sponsor of a range of investment funds, and a provider of investment advice; SIL is an Appointed representative of FDL.
- FD Dynamic Portfolios Limited ("FDDP") – a provider of knowledge and investment advice to the discretionary investment manager of the Dynamic Portfolios which are offered as an investment solution to clients of the Group; FDDP is an Appointed representative of FDL.
- Foster Denovo Group Services Limited ("FDGS") – an unregulated internal service company.

During 2025, TEBC and Creative Advice Limited, both Group subsidiaries, were deregulated by the FCA, once all customer relationships were novated to FDL as part of streamlining the Group's activities. FDL is regulated by the FCA.

During 2025, the Group acquired one regional private wealth business, Verum Wealth Limited. The customer relationships from this business combination have been novated to Foster Denovo Limited. In addition, the Company completed three further PBOs of previously self-employed adviser practices. These transactions followed the Group's acquisition of five private wealth businesses in 2023 and 2024, being Wade Corporate Services Limited, Creative Advice Limited, Rosemount Asset Management Holdings Limited, 80Twenty Consultancy Limited and Brian Mole Independent Financial Advisers Limited; as well as an employee benefits business in 2024, Punter Southall Aspire.

The rest of the Group's companies are interim holding companies, non-trading or dormant companies and are all unregulated.

Strategy and business model

The Group's strategy is to develop and scale its business through focused recruitment of professional advisory and support staff, acquisitions of complementary businesses, completion of Practice Buy Outs (PBOs) of previously self-employed adviser practices, development of its investment proposition and continued organic growth. The Group aims to earn sustainable recurring revenues from long-term client relationships with corporates and individuals.

In early 2022, the Group completed a funding agreement with Crestline, securing up to £100m of funding. This investment supports the Group's acquisition and growth strategy. Crestline acquired a minority stake in the Group via a preferred shares and warrant instrument issued as part of the investment.

The Group has used the funding to complete a series of PBOs and the acquisition of external complementary businesses. During the year, the Group completed three PBO's of a self-employed adviser's practice and one external acquisition. The Group also completed the purchase of 2 additional PBOs during the first quarter of 2026. These, combined with the acquisitions and PBOs completed in 2022 – 2024, have served to accelerate the growth of the business, helping to grow EBITDA from £1.7m in 2021 to £9.1m in 2025.

Foster Denovo Group Limited

Group Strategic Report For the Year Ended 31 December 2025

Strategy and business model (continued)

During the year, Operational EBITDA decreased to £10.4m (2024: £11.5m), reflecting an investment in prior acquisition integration and enhanced technology. Operational EBITDA is discussed in more detail in the Review of Business section on the next page.

Through its operating subsidiaries, the Group provides detailed and high-quality advice on financial planning, estate planning, cashflow forecasting and investment to its Private Wealth clients. Through the Group's Employee Benefits division, Second sight, corporate clients are supported to design and implement cohesive benefit and related employee communication strategies. Second sight consultants deliver advice, guidance and Plain English communication to the employees of corporate clients, helping to ensure their understanding of, and engagement with, their workplace benefits.

The integration of financial planning and investment advice is a key part of the business model, ensuring that clients receive holistic and comprehensive advice. Further, the focus on client needs and outcomes is central to the Group's proposition and serves to build long-term client relationships. This advice is provided through a mix of employed and self-employed advisers, termed "Partners", reflecting the collegiate culture of the Group. The Group provides technical and operational support, including compliance policies and oversight, to its Partners who operate to agreed standards. The Group handles quality assurance and compliance centrally, ensuring compliance with regulation and best practice.

The Group provides investment advice through its subsidiaries and appointed representatives, SIL and FDDP.

SIL acts as investment adviser to Waystone, the authorised corporate Director (ACD) of the Sequel Open-Ended Investment Companies (OEICs). Waystone is responsible for appointing and overseeing third-party investment managers—currently State Street and W1M—to manage the underlying OEIC portfolios. SIL also provides investment advice to Aegon in relation to the Sequel Journeys Workplace Pension funds, including asset allocation design and fund selection. Aegon is responsible for the management of these funds.

FDDP acts as investment adviser to AB Investment Solutions Limited, the appointed discretionary fund manager ("DFM") for the Dynamic Portfolios. FDDP provides recommendations regarding strategic and tactical asset allocation, investment styles, fund selection, and the proportional allocation across the selected investments.

Collectively, these arrangements form the foundation of the Group's investment proposition, offering a flexible and scalable framework through which Partners can construct portfolios aligned with a broad range of client risk profiles and cost considerations.

The demand for financial advice continues to increase, driven by legislative and regulatory changes, an increasingly broad range of investment solutions available in the UK market, challenging economic conditions, an ageing population and the transfer of investment risk of pensions from employers to employees. Within the corporate sector, employers are keen to provide their employees with financial education and support their decisions and options in respect of their risk and pension benefits. These trends, together with increased levels of regulation and capital resource requirements, provide significant challenges, and opportunities, to the industry as a whole. The Group's approach is to ensure that it continues to have the scale, resources and infrastructure to enable it to take advantage of these trends and serve more clients.

The Group's strategy is based on organic growth, in addition to acquisitions and PBOs, and attracting new self-employed advisers ("Partners"), who see the advantages of being able to run their own businesses, whilst outsourcing technical and compliance support. This also applies to smaller financial advisory businesses, who would benefit from being part of a larger organisation that can provide more cost-effective and lower risk support. The Group has also developed significant expertise in acquisition integration with dedicated specialists engaged in this area to ensure an efficient transition of newly acquired businesses into Foster Denovo. The Group's operations are capable of supporting a substantially larger business with limited incremental overheads. Accordingly, the Group will continue to seek to recruit further Partners and suitable acquisition opportunities.

The Group's activities are wholly within the United Kingdom.

Foster Denovo Group Limited

Group Strategic Report For the Year Ended 31 December 2025

Review of business

The Group's financial performance for the year ended 31 December 2025 was strong. Turnover amounted to £49.3m (2024: £42.9m) an increase of 15%. Looking at the performance of each division:

- Private Wealth (including advice around private client investments, mortgages and related matters) turnover amounted to £30.3m (2024: £24.7m). Of this approximately 76% (2024: 74%) related to continuing service rather than initial fees.
- Second sight, the Group's Employee Benefits division (including employee benefits advisory services to corporates) turnover totalled £14.7m (2024: £14.5m).
- Investment Solutions (SIL and FDDP) turnover grew by 21% to £4.1m (2024: £3.4m).
- Other turnover of £0.2m (2024: £nil).

At 31 December 2025, total assets under management (AUM) had grown by 30% to £2.19bn compared to prior year (2024: £1.69bn). During the year, the Group increased AUM held in the Group's Dynamic Portfolios by 41% to £1.42bn (2024: £1.01bn). AUM from advice-based workplace pension funds was up 14% to £0.65bn (2024: £0.57bn). The remaining AUM of £0.12bn (2024: £0.11bn) is held direct in Sequel funds.

EBITDA was lower than the previous year at £9.1m (2024: £9.4m) and EBITDA margin was 18.5% (2024: 21.9%). The Group cost base, excluding depreciation and amortisation, increased to £41.8m (2024: £34.9m), principally as a result of the full year impact of the cost bases of newly acquired businesses purchased in 2024 and 2025.

Operational EBITDA for 2025 decreased during the year by 10% to £10.4m (2024: £11.5m), reflecting an investment in prior acquisition integration and enhanced technology. The Operational EBITDA better reflects the true scale and profitability of the business as it is EBITDA adjusted for one off costs, a full year for acquisitions made in the year and an annualised run rate for the Portfolio Management Services (PMS) fee income earned from the Dynamic Portfolios and Clearview platform fees. It excludes the benefit of acquisitions made to date during 2025. The table below reconciles Operational EBITDA to Group operating profit.

Group operating loss for 2025 was £(1.5)m (2024: £1.3m profit). After the impact of interest on funding drawdowns, unwind of the discount recognised upfront on deferred consideration, revaluation of the warrant instrument, amortisation and depreciation, the loss before tax for the year was £(12.9)m (2024: loss of £(8.9)m). The increase in the loss before tax in the year was largely due to an increase in interest charges driven by new funding drawdowns (note 9) and higher amortisation charges (note 4).

Table: Group Operating (loss) / profit to Operational EBITDA

	2025 (£m)	2024 (£m)
Group operating (loss) / profit	-1.5	1.3
<i>Statutory accounts to management accounts reclasses</i>		
Add: Depreciation and amortisation	9.0	6.9
Add: one-off and project related costs	1.6	1.2
EBITDA	9.1	9.4
<i>Pro-forma adjustments</i>		
Mid-year acquisitions to full year effect	-	1.7
Platform Fee	0.5	-
PMS income to December run rate	0.4	0.4
Future PMS from acquisitions	0.4	-
Operational EBITDA	10.4	11.5

Foster Denovo Group Limited

Group Strategic Report For the Year Ended 31 December 2025

Funding and cash position

The funding agreement signed on 28 February 2022 with Crestline was for up to £100m of funding. This investment provides funding for the Group's acquisition and growth strategy. Funding drawdowns in the year amounted to £3.2m (2024: £17.8m) in June 2025, leading to 960,961 preferred shares being issued in the year.

As at 31 December 2025, the Group had drawn funding of £60.0m (2024: £56.8m).

The Crestline investment is structured as preferred shares and a warrant instrument. The preferred shares pay a fixed coupon of 10% per annum and the warrant instrument gives the right for a minority interest of the equity value of the Group once the preferred shares have been repaid. Both are accounted for as debt instruments with the carrying value of the debt being £72.4m (2024: £60.1m) and the warrant being £7.0m (2024: 7.0m) at year end. If all of this was accounted for as equity, then the effect would be to increase equity and shareholder funds by £79.4m (2024: £67.1m), which would result in a balance sheet surplus position.

Recruitment and post balance sheet events

During 2025, a further 15 advisers joined through recruitment.

During the first quarter of 2026, the Group completed on two additional internal PBOs. Going forward, the Group intends to make further acquisitions of external wealth management companies and undertake further internal PBOs.

There have been further issuance of 766,441 preferred shares post year end, generating £2.6m in additional funding for the Group.

Group structure

FDL is the main regulated trading entity containing the Private Wealth and Second Sight (Employee Benefit) businesses. FDDP and SIL provide investment advice and FDGS is the service company for the Group recharging its cost base to the three trading entities. As companies are acquired through acquisitions, the business of those acquisitions is moved to FDL and, in time, the acquired entities can then be de-authorised and wound up.

Going concern

As noted in the "Review of Business" section on the previous page, the Group continues to generate positive Operational EBITDA of £10.4m (2024: £11.5m).

The Directors note that the Group is reporting a balance sheet deficit of £22.8m at 31 December 2025 (2024: £8.3m). This net liability position is mainly attributable to the contingent deferred consideration liability on the acquisitions completed and issuance of preference shares to Crestline which are accounted as debt rather than equity, as is the warrant instrument.

At the balance sheet date, Foster Denovo Limited, the primary regulated trading entity of the Group, had a surplus over its capital adequacy requirement and is projected to exceed the requirement over at least the twelve months from the date of approval of these financial statements.

The Group drew down a further £3.2m in June 2025 from Crestline. At the date of signing these financial statements, no further drawdowns have been made.

The Directors have considered the budgeted and projected results of the business and projected cash flows, including the £2.6m raised from preferred shares in 2026, in concluding that the Group has sufficient liquidity to continue in business for a period of at least twelve months from the approval of these financial statements. Pipeline acquisitions are being considered for purchase within the limits of the funding available to the Company.

Foster Denovo Group Limited

Group Strategic Report For the Year Ended 31 December 2025

Going concern (continued)

As noted in the Funding and cash position section above, the Group has debt funding from Crestline. The Directors are considering strategic options to refinance this liability. The Directors have also prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements. These forecasts indicate that the Group is expected to generate positive operating cash flows and has sufficient liquidity to meet all other liabilities as they fall due.

Accordingly, the Directors of the Group, as at the date of this report, consider that the Group has sufficient resources to continue operating for a period of at least twelve months from the date of approval of these financial statements. They have therefore determined that it is appropriate to prepare the financial statements on a going concern basis.

Risk management and governance

As set out in detail below, the Group's activities in the regulated financial advice sector do carry risk. The Group has in place stringent quality assurance, training and compliance standards to manage these risks. Risk is managed through the Board Risk Committee, a sub-committee of the FDL Board. The Board Risk Committee receives reports from the Group's Conduct and Operational Risk Committee, Investment Proposition Risk Committee and Executive Committee. These committees meet at least quarterly and review in detail a range of performance-based indicators and risk reports from senior managers that focus on the maintenance of business standards and the proactive management of risks.

Overall business performance and risk profile is kept under review by the Executive Team, which includes Roger Brosch (Chief Executive Officer) and Helen Lovett (Group Managing Director). The performance of individual subsidiaries and divisions is monitored and reviewed by the Executive Team and the Group Board.

Future developments

The Group intends to continue to develop its business through focused recruitment, the acquisition of complementary businesses and continued expansion of its investment solutions offerings.

The Directors are not aware at the date of this report of any likely major changes in the Group's activities in the next year.

Principal risks, uncertainties, mitigants and financial instruments

FDL is the main regulated trading entity of the Group. The business of FDL is to provide financial advice to clients and, as part of this, recommend financial products, and so is active in the sale of regulated financial products. As a consequence, FDL's activities are regulated which gives rise to a number of risks, including censure by the FCA. Such risks may manifest themselves financially through compensation payable regarding the arrangement of financial products (see note 20). FDL operates a strict compliance regime, including regular compliance audits of financial advisers, to mitigate such risks. In addition, it has arranged professional indemnity insurance which conforms to the requirements of the FCA.

FDL receives commission from some product providers on an indemnity basis and these may become repayable in the event that a policy is cancelled or amended subsequent to its inception. Where such clawbacks of commission occur, FDL recharges a proportion of such amounts to the relevant financial adviser when self-employed (see notes 14 and 20). As a consequence, to mitigate the risk of accepting commission on an indemnity basis, FDL monitors such activity and the ability of its self-employed financial advisers to service their clawback liabilities to FDL.

The revenues of the Group are exposed to market risk through the element that are based on a percentage of assets under advice or assets under management. The Group mitigates this through investment strategies that are diversified and designed to balance exposure to specific asset classes.

Credit risk is the risk of default by a client on an obligation to make a payment and is managed through appropriate due diligence checks prior to acceptance of new customers.

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Group Strategic Report For the Year Ended 31 December 2025

Principal risks, uncertainties, mitigants and financial instruments (continued)

Competitive risk is a continuing risk to FDL, which could result in lost revenue. FDL manages this risk by providing an excellent service to its clients and adding value to its advisers, having fast response times not only in supplying services and products, but by maintaining strong relationships with Partners and clients. Client satisfaction is measured through Net Promoter Surveys, with any negative feedback received being followed up with direct contact from the Director of Client Operations. FDL has also invested to ensure that support staff are capable and engaged. Platinum accreditation was attained in June 2024, from the Investors in People and high scores from engagement surveys validate continued success in this area.

The principal risks and uncertainties of SIL and FDDP relate to the level of fund inflows generated by financial advisers, their retention thereafter and, of course, the performance of the Sequel Journeys pension funds, the Sequel OEICs and the FD Dynamic Portfolios, with the Sequel OEICs and FD Dynamic Portfolios linked. Sequel and FDDP manage this risk by ensuring that the investment propositions continue to meet the needs of clients, perform to their benchmarks and against peer comparators.

In common with all other businesses, the Group holds or issues financial instruments to finance its operations and is exposed to risks that arise from its use of those financial instruments. Various financial instruments such as trade debtors and trade creditors arise directly from the Group's operations. The Group does not enter into hedging agreements.

The Group maintains sufficient liquidity to enable it to conduct its operations in an orderly manner and meet its obligations as they arise.

Board and senior management

The Group Board meets quarterly to review all aspects of the Group's performance, financial position, risks and strategy.

In addition to the main Board, the Group has a number of internal forums that comprise influential stakeholders in the business. In particular, the Senior Shareholders and the "Leadership Team" bring together those Partners and Senior Managers who have a significant influence and interest in the success, including risk management, of the Group. The input to the Group's development from these forums has proved invaluable during 2025.

Policy and Practice on the payment of creditors

It is the policy of the Group to pay all trade creditors by the due date, unless alternate credit terms have been agreed. In the latter case, the Group aims to pay its suppliers in accordance with those agreed terms and conditions, provided that all trading terms and conditions have been complied with.

Statement in compliance with section 172(1) of Companies Act 2006

The Directors have a duty to promote the success of the Group and our related stakeholders. A Director must act in the way he or she considers, in good faith, to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of our employees;
- The need to foster business relationships with our suppliers, clients and others;
- The impact of operations on our communities and environment;
- The desirability to maintain a reputation for high standards of business conduct; and
- The need to act fairly across all members.

The Directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls.

Foster Denovo Group Limited

Group Strategic Report For the Year Ended 31 December 2025

Statement in compliance with section 172(1) of Companies Act 2006 (continued)

In considering their duty under s172, the Directors have identified the following key stakeholders, in addition to shareholders:

- Clients – we work with our clients to understand their needs and help them achieve their goals and outcomes. We regularly seek feedback from our clients to monitor how we are doing. We also assess delivery of good outcomes for our clients under Consumer Duty requirements at a Board level ensuring current and future compliance is maintained.
- Employees and Self-Employed Advisers – we promote a diverse workforce and provide an inclusive work environment with regular communication and feedback to and from employees and self-employed advisers. We monitor progress internally and against industry benchmarks through the use of surveys and regular meetings and have, in June 2024, achieved Investors in People (IIP) Platinum status.
- Environment and community – the Company and wider Group sponsor an initiative to improve collaboration, communication and wellbeing through considering wellbeing, environmental and social considerations. The Group understands that small changes can make a big difference to our immediate environment. Therefore, we have implemented environmental practices to reduce our overall carbon footprint such as recycling. The Group is committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our business under the Modern Slavery Act 2015. We expect the same high standards from all our contractors, suppliers and other business partners.
- Regulators – we maintain appropriate compliance and prudential processes and controls to ensure compliance with the all applicable regulatory requirements and future developments. FDL's capital adequacy position is managed and monitored in accordance with FCA's regulations. This ensures FDL maintains a strong capital base to support the development of its business, it can continue to operate as a going concern and complies with the relevant FCA rules and guidance.
- Suppliers – we aim to promote long term partnerships with key suppliers. All invoices are reviewed by senior management and, through weekly payment runs, we aim to pay suppliers within stipulated credit terms.

As already noted in the "Review of business" section of this report a number of key decisions were made during the year. These included:

- The further drawdown of funds from the investment from Crestline which provides the funding to grow the Group; and
- The completion of one external acquisition and three PBOs, all of which has had an immediate impact on EBITDA growth.

These key decisions are all taken to grow the Group, expand the customer base and provide a better experience to clients and hence improve the revenues and profitability of the Group. As such they also benefit employees and self-employed advisers, and the other key stakeholder groups identified.

Streamlined Energy and Carbon Reporting (SECR) Statement 2025

Introduction

The below statement contains the Group's annual energy consumption, associated relevant greenhouse gas emissions, and additional related information, as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Methodology

The methodology applied to the calculation of Greenhouse Gas emissions is the 'GHG Protocol Corporate Accounting and Reporting Standard'. An 'operational control' boundary has been applied. Carbon conversion factors have been taken from 'UK Government GHG Conversion Factors for Company Reporting – 2025'. Emissions are reported as tonnes CO₂e. Scope 2 emissions have been reported as 'location-based'.

Foster Denovo Group Limited

Group Strategic Report For the Year Ended 31 December 2025

Streamlined Energy and Carbon Reporting (SECR) Statement 2025 (continued)

Energy use and greenhouse gas emissions

The table below shows the total annual UK energy use associated with our operations for the period 1st January to 31st December 2025 and a comparison with the 2024 reporting period. The Electricity (and therefore Scope 2 Emissions) usage has increased by 41% 2025 as the Group's office network and headcount have expanded.

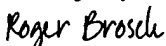
Table - Energy consumption and emissions

	2025	2024	% Difference
On-site combustion (kWh)	177,940	184,573	-4%
Electricity (kWh)	289,601	205,257	41%
Total Energy (kWh)	<u>467,541</u>	<u>389,830</u>	20%
Scope 1 Emissions (tCO ₂ e)	38.65	40.05	-3%
Scope 2 Emissions (tCO ₂ e)	62.96	44.54	41%
Total Emissions (tCO₂e)	<u>101.61</u>	<u>84.59</u>	20%
Emissions Intensity (tCO₂e/£m turnover)	2.06	1.97	5%

Emissions intensity

For the purposes of baselining and ongoing comparison, we are required to express the emissions using a carbon intensity metric. The intensity metric chosen is £m turnover. The resultant emissions intensity is 2.06 CO₂e/£m.

The Strategic Report was approved by the Board on 30 June 2026 and signed on its behalf.

DocuSigned by:

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R N Brosch

Director - Chief Executive

Foster Denovo Group Limited

Directors' Report For the Year Ended 31 December 2025

The Directors present their report and the consolidated financial statements for the year ended 31 December 2025. The following report should be read in conjunction with the Strategic Report as the necessary disclosure requirements have been addressed across both reports.

Directors

The Directors of the Company who served during the year and at the date of this report were:

R N Brosch

D S Currie

H M Lovett

J G Redman

J M Brettell

A J G Pitman - appointed 1 February 2025

P O'Leary - appointed 26 February 2025; resigned 10 October 2025

P J Davies - resigned 31 March 2025

Annual General Meetings

In accordance with the provisions of the Companies Act legislation the Company has dispensed with the holding of Annual General Meetings.

Qualifying Third Party Indemnity

The Group maintains Directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Directors. Qualifying third party liability indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year ended 31 December 2025 and remain in force. As at the year end, there are no provisions recorded within the Group's statement of financial position, and no contingent liabilities requiring disclosure.

Disclosure of information to the auditors

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

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information. This confirmation is given in accordance with the provision of section 418 of the Companies Act 2006.

Dividends

No dividends were paid or proposed in the year in 2025 (2024: £Nil).

Charitable and political donations

During the year, the Group made charitable donations of £271 (2024: £328).

The Group made no political donations and incurred no political expenditure during the year (2024: £nil).

Foster Denovo Group Limited

Directors' Report For the Year Ended 31 December 2025

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. BDO LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the board on 30 June 2026 and signed on its behalf.

DocuSigned by:

Roger Brosch

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R N Brosch

Director

Foster Denovo Group Limited

Directors' Responsibility Statement For the Year Ended 31 December 2025

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Foster Denovo Group Limited

Independent Auditor's Report to the Members of Foster Denovo Group Limited For the Year Ended 31 December 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOSTER DENOVO GROUP LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Foster Denovo Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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

Foster Denovo Group Limited

Independent Auditor's Report to the Members of Foster Denovo Group Limited For the Year Ended 31 December 2025

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group Strategic Report and Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

Foster Denovo Group Limited

Independent Auditor's Report to the Members of Foster Denovo Group Limited For the Year Ended 31 December 2025

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

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

we considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Companies Act 2006, compliance with the FCA's minimum capital adequacy requirements and relevant tax legislation.

Our procedures in respect of the above included:

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

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Performing unpredictable procedures as part of our substantive audit testing to assess if transactions are within the normal course of business.

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

Foster Denovo Group Limited

Independent Auditor's Report to the Members of Foster Denovo Group Limited For the Year Ended 31 December 2025

Our procedures in respect of the above included:

- The risk of management override of controls, which is pervasive to the financial statements
 - Obtaining an understanding of the financial reporting process and evaluating the design and implementation of controls in place;
 - Assessing the completeness and accuracy of the relevant data elements of the General Ledger for the year, including any post close journals entered;
 - Understanding the areas that are more susceptible to fraud and testing the journals that meet the pre-defined high-risk criteria to supporting documentation.
 - Testing a sample of journals that do not meet the pre-defined high-risk criteria to assess for any indication of fraud in the 'remaining' population of journal postings;
 - Reviewing any significant transactions outside the normal course of business;
 - Reviewing the post-close adjustments made in the preparation of the financial statements for reasonableness; and
 - Including an element of unpredictability in our substantive audit procedures.
- The risk of fraud in revenue recognition (at Group subsidiaries' level)
 - Obtaining an understanding of the revenue recognition process and evaluating the design and implementation of controls in place; and
 - Analysing journal pairing for all revenue transactions, which are manually posted by management, to assess if there is a contra entry made to any unusual account, that is, other than to cash at bank or accrued income.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Signed by:

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James Barber (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
30 June 2026

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

Foster Denovo Group Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2025

	Note	2025 £'000	2024 £'000
Turnover	3	49,319	42,893
Cost of sales		(7,303)	(7,331)
Gross profit		42,016	35,562
Administrative expenses		(43,484)	(34,224)
Group operating (loss) / profit		(1,468)	1,338
Interest receivable and similar income	8	180	117
Interest payable and similar expenses	9	(11,577)	(9,211)
Revaluation of warrant	19	-	(1,148)
(Loss) on ordinary activities before taxation		(12,865)	(8,904)
Taxation on (loss) on ordinary activities	10	(1,915)	(2,073)
Total comprehensive (loss) for the financial year		(14,780)	(10,977)

There was no other comprehensive income in the year (2024: Nil).

All activities relate to continuing operations.

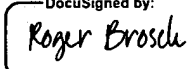
The notes on pages 22 to 49 form part of these financial statements.

Foster Denovo Group Limited

Consolidated Statement of Financial Position As at 31 December 2025

	Note	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Non-current assets					
Intangible assets	11		40,071		44,030
Goodwill	11		23,793		23,654
Tangible fixed assets	12		243		100
Debtors	14		1,181		1,175
			<u>65,288</u>		<u>68,959</u>
Current assets					
Debtors	14	6,401		7,591	
Cash and cash equivalents		7,257		19,692	
		<u>13,658</u>		<u>27,283</u>	
Current liabilities	15	(17,931)		(27,026)	
Net current (liabilities) / assets			<u>(4,273)</u>		<u>257</u>
Total assets less current liabilities			<u>61,015</u>		<u>69,216</u>
Non-current liabilities	16		(83,763)		(77,451)
Provisions for liabilities					
Other provisions	20		(13)		(53)
Net (liabilities)			<u>(22,761)</u>		<u>(8,288)</u>
Capital and reserves					
Called-up share capital	23		904		876
Share premium account			13,307		13,028
Profit and loss account			<u>(36,972)</u>		<u>(22,192)</u>
Shareholders' funds			<u>(22,761)</u>		<u>(8,288)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 June 2026.

DocuSigned by:

 R N Brosch

Director
 Company number: 06033941

The notes on pages 22 to 49 form part of these financial statement

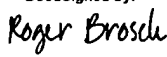
Foster Denovo Group Limited

Company Statement of Financial Position As at 31 December 2025

	Note	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Non-current assets					
Investments	13		85,617		82,484
Intangible assets	11		1,539		1,809
Debtors – due after more than one year	14		759		723
			87,915		85,016
Current assets					
Debtors – due within one year	14	820		2,402	
Cash and cash equivalents		626		11,180	
		1,446		13,582	
Current liabilities	15	(17,427)		(24,444)	
Net current liabilities			(15,981)		(10,862)
Total assets less current liabilities			71,934		74,154
Non-current liabilities	16		(83,261)		(77,139)
Net (liabilities) / assets			(11,327)		(2,985)
Capital and reserves					
Called-up share capital	23		904		876
Share premium account			13,307		13,028
Profit and loss account			(25,538)		(16,889)
Shareholders' funds			(11,327)		(2,985)

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £11.7m (2024: £9.6m loss).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 June 2026.

DocuSigned by:

 R N Brosch
 Director
 Company number: 06033941

The notes on pages 22 to 49 form part of these financial statements.

Foster Denovo Group Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2025

	Called-up share £'000	Share premium £'000	Profit and loss £'000	Total equity £'000
At 1 January 2025	876	13,028	(22,192)	(8,288)
Comprehensive (loss) for the year				
Loss for the year	-	-	(14,780)	(14,780)
Total comprehensive (loss) for the year	-	-	(14,780)	(14,780)
Shares issued in year	28	291	-	319
Shares repurchased	-	(12)	-	(12)
Total transactions with owners	28	279	-	307
At 31 December 2025	904	13,307	(36,972)	(22,761)

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2024

	Called up share £'000	Share premium £'000	Profit and loss £'000	Total equity £'000
At 1 January 2024	629	2,776	(11,215)	(7,810)
Comprehensive income for the year				
Loss for the year	-	-	(10,977)	(10,977)
Total comprehensive income for the year	-	-	(10,977)	(10,977)
Shares issued in year	247	10,252	-	10,499
Shares repurchased	-	-	-	-
Total transactions with owners	247	10,252	-	10,499
At 31 December 2024	876	13,028	(22,192)	(8,288)

The notes on pages 22 to 49 form part of these financial statements.

Foster Denovo Group Limited

Company Statement of Changes in Equity For the Year Ended 31 December 2025

	Called up share £'000	Share premium £'000	Profit and loss £'000	Total equity £'000
At 1 January 2025	876	13,028	(16,889)	(2,985)
Comprehensive loss for the year				
Loss for the year	-	-	(11,649)	(11,649)
Total comprehensive loss for the year	-	-	(11,649)	(11,649)
Shares issued in year	28	291	-	319
Shares repurchased	-	(12)	-	(12)
Dividends received	-	-	3,000	3,000
Total transactions with owners	28	279	3,000	3,307
At 31 December 2025	904	13,307	(25,538)	(11,327)

Company Statement of Changes in Equity For the Year Ended 31 December 2024

	Called up share £'000	Share premium £'000	Profit and loss £'000	Total equity £'000
At 1 January 2024	629	2,776	(9,787)	(6,382)
Comprehensive income for the year				
Loss for the year	-	-	(9,602)	(9,602)
Total comprehensive income for the year	-	-	(9,602)	(9,602)
Shares issued in year	247	10,252	-	10,498
Dividends received	-	-	2,500	2,500
Total transactions with owners	247	10,252	2,500	12,998
At 31 December 2024	876	13,028	(16,889)	(2,985)

The notes on pages 22 to 49 form part of these financial statements.

Foster Denovo Group Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
(Loss) on ordinary activities before tax		(12,865)	(8,904)
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	4	43	48
Amortisation of goodwill and intangibles	4	8,955	6,799
Interest receivable	8	(180)	(117)
Interest payable	9	11,577	9,211
Loss on revaluation of warrant	19	-	1,148
<i>Changes in assets and liabilities:</i>			
Decrease / (increase) in trade and other debtors		(111)	(3,029)
Decrease / (Increase) in trade and other creditors and		(635)	742
Corporation tax paid		(1,313)	(3,552)
Net cash generated from operating activities		5,471	2,346
Cash flows from investing activities			
Sale / (Purchase) of tangible fixed assets	12	(183)	1
Purchase of intangible assets	11	(293)	(233)
Deferred consideration on fixed asset investments		(18,907)	(4,782)
Business Acquisitions		(2,147)	(19,520)
Interest received		160	3
Net cash used in investing activities		(21,370)	(24,531)
Cash flows from financing activities			
Issue of ordinary shares		319	284
Repurchase of Ordinary Shares		(14)	(15)
Repayment of finance leases	17	(25)	(12)
Net incoming funds from Investment		3,200	17,800
Interest paid		(16)	(2)
Net cash inflow from financing activities		3,464	18,055
Net increase in cash and cash equivalents		(12,435)	(4,130)
Cash and cash equivalents at the beginning of year		19,692	23,822
Cash and cash equivalents at the end of year		7,257	19,692

The notes on pages 22 to 49 form part of these financial statements.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

1. Accounting policies

1.1 Basis of preparation of financial statements

Foster Denovo Group Limited is a company limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the Company Information page and the nature of the Group's operations, and its principal activities are set out in the Group Strategic Report.

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest thousand (£'000).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The principal accounting policies adopted are set out below.

Going Concern

As noted in the "Review of Business" section on the Group Strategic Report, the Group continues to generate positive Operational EBITDA of £10.4m (2024: £11.5m).

The Directors note that the Group is reporting a balance sheet deficit of £22.8m at 31 December 2025 (2024: £8.3m). This net liability position is mainly attributable to the contingent deferred consideration liability on the acquisitions completed and issuance of preference shares to Crestline which are accounted as debt rather than equity, as is the warrant instrument.

At the balance sheet date, Foster Denovo Limited, the primary regulated trading entity of the Group, had a surplus over its capital adequacy requirement and is projected to exceed the requirement over at least the twelve months from the date of approval of these financial statements.

The Group drew down a further £3.2m in June 2025 from Crestline. At the date of signing these financial statements, no further drawdowns have been made.

The Directors have considered the budgeted and projected results of the business and projected cash flows, including the £2.6m raised from preferred shares in 2026, in concluding that the Group has sufficient liquidity to continue in business for a period of at least twelve months from the approval of these financial statements. Pipeline acquisitions are being considered for purchase within the limits of the funding available to the Company.

As noted in the Funding and cash position section of the Group Strategic Report, the Group has debt funding from Crestline. The Directors are considering strategic options to refinance this liability. The Directors have also prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements. These forecasts indicate that the Group is expected to generate positive operating cash flows and has sufficient liquidity to meet all other liabilities as they fall due.

Accordingly, the Directors of the Group, as at the date of this report, consider that the Group has sufficient resources to continue operating for a period of at least twelve months from the date of approval of these financial statements. They have therefore determined that it is appropriate to prepare the financial statements on a going concern basis.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

1. Accounting policies (continued)

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- Disclosures in respect of the parent company's share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

1.2 Basis of consolidation

The consolidated financial statements present the results of the parent company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Turnover

Turnover comprises the value of commissions and financial planning advisory fees receivable, excluding VAT, in the normal course of business. All turnover arises in the United Kingdom.

Commissions, both initial commission and ongoing advice fees are recognised on an accruals basis.

Non-indemnity fees and commissions are recognised on an accruals basis.

Advisory fees are recognised on an ongoing basis to reflect the nature of the performance obligations being discharged.

1.4 Goodwill and Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis in the Consolidated Statement of Comprehensive Income over its useful economic life. Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. If a reliable estimate cannot be made, the useful life is presumed to be 10 years.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

1. Accounting policies (continued)

1.4 Goodwill and Intangible assets (continued)

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful economic life. In the case of customer relationships acquired, whether direct or via business combinations, this is estimated by the Directors to be ten years.

The estimated useful lives range as follows:

Customer relationships	10 years
Website	5 years

Customer relationships represent the value of the customer lists upon the acquisition of the businesses. Subsequent to initial recognition, customer relationships are measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis in the Statement of Comprehensive Income over its useful economic life.

1.5 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	4 years
Fixtures and fittings	4 years
Computer equipment	3-4 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

1. Accounting policies (continued)

1.6 Impairment of fixed assets and intangible assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit 'CGU' to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped into either an advice business CGU or an investment business CGU. Where businesses are acquired, the trade is transferred from the acquired entities to Foster Denovo Limited. The advice business CGU comprises the legal entities Foster Denovo Limited and Foster Denovo Group Services Limited. The investment business CGU comprises the legal entities FD Dynamic Portfolios Limited and Sequel Investments Limited.

Individual Subsidiaries have also been considered for impairment. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 Financial instruments

The Group only enters into basic financial instruments which result in financial assets and liabilities such as trade and other receivables and payables and investments in non-puttable ordinary shares. Non-puttable means that the holder, in this case the Company or one of its subsidiary undertakings, has no right to exchange those shares for cash or another financial instrument.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

1. Accounting policies (continued)

1.10 Financial instruments (continued)

Investments in non-puttable ordinary and preference shares are measured:

- i) At fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably; and
- ii) At cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Group only enters into basic financial instruments which result in financial assets and liabilities such as trade and other receivables and payables and investments in non-puttable ordinary shares. Non-puttable means that the holder, in this case the Company or one of its subsidiary undertakings, has no right to exchange

Financial assets and liabilities measured at fair value through profit or loss are recognised in the balance sheet at their fair value. Fair value gains and losses are recognised in the statement of comprehensive income in the period in which they occur.

1.11 Cost of sales

Cost of sales comprises of amounts paid to the self-employed partners. It is recognised over the period in which the service is provided.

1.12 Administrative expenses

Administrative expenses are accounted for on an accruals basis.

1.13 Interest payable and similar charges

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

1. Accounting policies (continued)

1.14 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

The Group operates a convertible loan stock scheme for the advisers. The fair value of the options is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition. The proceeds received from the convertible loan stock scheme are allocated to liabilities until the options are exercised.

1.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

1.16 Interest receivable and similar income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

1. Accounting policies (continued)

1.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

1.18 Taxation

Tax charged for the current year comprises current and deferred tax and is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined based on the rates expected to apply at the date of reversal, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.19 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

1. Accounting policies (continued)

1.20 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

For leases entered into on or after 1 January 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

1.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.22 Reserves

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

2. Key judgements in applying accounting policies and other key sources of estimation uncertainty

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine the useful economic life, hence the amortisation period, and whether there are indicators of impairment of the Group's intangible assets, including Customer Relationships. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.
- Determined key inputs into the valuation of the financial liabilities measured at fair value (note 19).

Other key sources of estimation uncertainty

- Provisions are made where an event has taken place that gives the Group a legal or constructive obligation at the year end. Estimates, assumptions, and judgements relate to the determination or carrying value of these provisions. This includes an estimate for the costs to settle any outstanding claims against the Group.
- Turnover contain advice fees that are collected by financial product providers and then paid to the Group. The turnover for the year contains an estimate for the element of these fees that are receivable at the year-end and paid to the Group after the year end.

There are no significant judgements other than the ones disclosed above.

3. Turnover

Turnover in the year of £49.3m (2024: £42.9m) arises solely within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2025 £'000	2024 £'000
Depreciation of tangible fixed assets	43	48
Operating lease expense	1,077	884
Amortisation of intangible assets, including goodwill	8,955	6,799

Details of audit and non-audit fees are disclosed in Note 5; details of staff costs are disclosed in Note 6.

5. Auditor's remuneration

	2025 £'000	2024 £'000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	108	96
Fees payable to the Group's auditor and its associates in respect of:		
- the audit of the Company's subsidiaries	330	301
- taxation compliance services	82	45
- other non-audit services	9	16

The above fees are inclusive of VAT.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

6. Employees

Group	2025 £'000	2024 £'000
Wages and salaries	21,237	17,001
Social security costs	2,616	1,786
Cost of defined contribution scheme	1,460	1,112
	25,313	19,899

The Group provides services to self-employed financial advisers (called Partners). The above numbers are shown net of the amounts recharged in the year totalling £312k in the year (2024: £518k).

The average monthly number of employees, including the Directors, during the year was as follows:

	2025 Number	2024 Number
Directors	6	6
Employed advisers	97	72
Administration	316	247
	419	325

7. Directors' remuneration

	2025 £'000	2024 £'000
Directors' emoluments	1,018	952
Company contributions to defined contribution pension schemes	75	73
	1,093	1,025

The highest paid Director received remuneration of £265k (2024: £258k).

There were five Directors in the Company's defined contribution pension scheme during the year (2024: two).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £22k (2024: £21k).

Key management personnel include all Directors and a number of senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was £1,754k (2024: £1,640k).

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

8. Interest receivable and similar income

	2025 £'000	2024 £'000
Other interest receivable	112	96
Loan interest receivable	68	21
	180	117

Other interest receivable relates to bank interest and HMRC interest on overpaid tax.

Loan interest receivable comprises £20k (2024: £14k) receivable on Director's loans for the year. The remaining £48k (2024: £7k) relates to short term employee loans.

9. Interest payable and similar expenses

	2025 £'000	2024 £'000
Loan interest payable and fees on loans	9,084	5,836
Discount unwind on liabilities*	2,477	3,338
Other interest	9	35
Finance leases and hire purchase contracts	7	2
	11,577	9,211

*The discount unwind on liabilities is in respect of contingent deferred consideration payable.

10. Taxation

	2025 £'000	2024 £'000
Current tax		
UK corporation tax	1,864	2,099
Group relief (receivable)	-	-
Adjustments in respect of prior periods	-	(2)
Total current tax	1,864	2,097
Deferred tax		
Origination and reversal of timing differences	51	(36)
Adjustment in respect of previous period	-	12
Total deferred tax (credit) / charge	-	(24)
Tax charge on profit/ (loss) on ordinary activities	1,915	2,073

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the current and prior year is higher than standard rate of corporation tax in the UK. The differences are explained below:

	2025 £'000	2024 £'000
(Loss) on ordinary activities before tax	(12,865)	(8,904)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.0% (2024: 25.0%)	(3,236)	(1,881)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,631	2,581
Fixed asset differences	1,520	1,363
Adjustments to tax charge in respect of prior periods	-	(2)
Adjustment in respect of previous period - deferred tax	-	12
Total tax charge for the year	1,915	2,073

The Group has accumulated tax losses carried forward of Nil (2024: Nil).

Factors affecting tax charge for the year:

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

11. Intangible assets

Group	Other intangibles £'000	Goodwill £'000	Customer relationships £'000	Total £'000
Cost				
At 1 January 2025	233	26,268	56,755	83,256
Additions	293	1,467	2,102	3,862
Change in cost due to a change in estimate of contingent deferred payments	-	1,625	(352)	1,273
At 31 December 2025	526	29,360	58,505	88,391
Amortisation				
At 1 January 2025	-	2,614	12,958	15,572
Provided for the year	74	2,953	5,928	8,955
At 31 December 2025	74	5,567	18,886	24,527
Net book value				
At 31 December 2025	452	23,793	39,619	63,864
At 31 December 2024	233	23,654	43,797	67,684

Other intangibles represent website development costs which have been capitalised. The asset incurred amortisation charges from 1st Jan 2025 when the website became available for use.

Company	Customer relationships £'000
Cost	
At 1 January 2025	2,113
Change in cost due to a change in estimate of contingent deferred payments	-
At 31 December 2025	2,113
Amortisation	
At 1 January 2025	304
Provided for the year	270
At 31 December 2025	574

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

11. Intangible assets (continued)

	Customer relationships £'000
Net book value	
At 31 December 2025	1,539
At 31 December 2024	1,809

Customer relationships are the customer lists from acquired businesses, and do not include any internally generated customer lists. The net book value and remaining useful life for each customer list acquired is included as follows:

Description	Useful life remaining	Group	Company
	Months	£'000	£'000
Customer list 1	40	730	-
Customer list 2	73	20,508	-
Customer list 3	77	175	-
Customer list 4	77	287	-
Customer list 5	80	229	-
Customer list 6	91	473	-
Customer list 7	97	13,334	-
Customer list 8	103	691	-
Customer list 9	109	782	-
Customer list 10	108	492	-
Customer list 11	110	379	-
Customer list 12	73	1,539	1,539
		39,619	1,539

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

12. Tangible fixed assets

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2025	538	609	536	1,683
Additions	-	-	183	183
Additions from acquisitions	-	5	12	17
At 31 December 2025	538	614	731	1,883
Accumulated depreciation				
At 1 January 2025	528	525	530	1,583
Charge in the year	7	3	33	43
Additions from acquisitions	-	12	2	14
At 31 December 2025	535	540	565	1,640
Net book value				
At 31 December 2025	3	74	166	243
At 31 December 2024	10	84	6	100

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

13. Fixed asset investments

The following were subsidiary and related undertakings of the Company:

Name	Company number	Country of incorporation	Class of shares	Holding	Principal activity
Foster Denovo Limited	05970987	England and Wales	Ordinary	100%	Financial advice
Foster Denovo Group Services Limited	06966738	England and Wales	Ordinary	100%	Services company
Sequel Investments Limited	06751956	England and Wales	Ordinary	100%	Sponsor of investment funds
** Foster Denovo Regulatory Services Limited	07441279	England and Wales	Ordinary	100%	Dormant
** Second sight UK Limited	05477434	England and Wales	Ordinary	100%	Dormant
* TEBC Limited	04674059	England and Wales	Ordinary	100%	Financial advice
FD Dynamic Portfolios Limited	11721242	England and Wales	Ordinary	100%	Fund Management
** Orchard Wealth Cultivation Limited	05383425	England and Wales	Ordinary	100%	Dormant
* Wade Corporate Services Limited	05137560	England and Wales	Ordinary	100%	Financial advice
* Wade Financial Services Limited	04976263	England and Wales	Ordinary	100%	Financial advice
* Creative Advice Limited	05863756	England and Wales	Ordinary	100%	Financial advice
* Rosemount Asset Management Holdings Limited	SC801819	Scotland	Ordinary	100%	Holding Company
* Rosemount Asset Management Limited	SC360214	Scotland	Ordinary	100%	Financial Advice
* Pruinvest Limited	SC561943	Scotland	Ordinary	100%	Financial Advice
* Scott Wealth Financial Services Limited	SC500119	Scotland	Ordinary	100%	Financial Advice
* 80 Twenty Consultancy Holdings Limited	08709441	England and Wales	Ordinary	100%	Holding Company
* 80 Twenty Consultancy Limited	05361823	England and Wales	Ordinary	100%	Financial Advice
* Keelex 324 Limited	06343425	England and Wales	Ordinary	100%	Holding Company
* Brian Mole Independent Financial Advisers Limited	02918076	England and Wales	Ordinary	100%	Financial Advice
* Verum Wealth Limited	SC464736	Scotland	Ordinary	100%	Financial Advice

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

13. Fixed asset investments (continued)

The registered office of Foster Denovo Limited, and Foster Denovo Group Services Limited is Ruxley House, 2 Hamm Moor Lane, Addlestone, Surrey KT15 2SA.

The registered office of Rosemount Asset Management Holdings Limited, Rosemount Asset Management Limited, Pruinvest Limited, Scott Wealth Financial Services Limited and Verum Wealth Limited is 300 Bath Street, Glasgow, G2 4LH.

The registered office of all other companies is 2nd Floor, 20 St Dunstan's Hill, London EC3R 8HL.

All the above subsidiaries are included in the consolidation and are direct holdings in ordinary shares except for:

- Wade Financial Services Limited which is indirect and held through Wade Corporate Services Limited;
- Rosemount Asset Management Limited, Pruinvest Limited and Scott Wealth Financial Services Limited which are indirect and held through Rosemount Asset Management Holdings Limited;
- 80 Twenty Consultancy Limited which is held through 80 Twenty Consultancy Holdings Limited; and
- Brian Mole Independent Financial Advisers Limited which is held through Keelex 324 Limited.

* These subsidiaries are exempt from the requirements of the Companies Act relating to the audit of individual subsidiary accounts by virtue of section 479A of the Companies Act 2006. The parent company, Foster Denovo Group Limited has given a guarantee under section 479C of the Companies Act 2006 in respect of the year ended 31 December 2025 for these subsidiaries.

** These companies are entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Company

	Investment in subsidiary companies £'000
Cost	
At 1 January 2025	82,484
Additions	1,520
Change in value of investment	1,613
At 31 December 2025	85,617
Net book value	
At 31 December 2025	85,617
At 31 December 2024	82,484

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

14. Debtors

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
<i>Current</i>				
Trade debtors	2,610	1,565	-	-
Corporation tax recoverable	-	1,221	-	-
Amounts owed by group undertakings	-	-	820	1,257
Other debtors	533	1,533	-	1,145
Prepayments and accrued income	3,258	3,272	-	-
	6,401	7,591	820	2,402
<i>Non-current</i>				
Deferred tax asset (note 21)	51	103	-	-
Directors' loan	654	633	654	633
Other debtors	476	439	105	90
	1,181	1,175	759	723

Included in other debtors is £16k (2024: £16k) that relates to amounts recoverable from the Group's advisers in relation to the clawback of indemnity commission. Also included in other receivables is £Nil (2024: £10k) that relates to amounts recoverable from Professional Indemnity Insurers and/or financial advisers in relation to complaints (see note 20).

Amounts owed by group undertakings are interest free and repayable on demand.

15. Liabilities - current

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Trade creditors	606	740	-	-
Amounts owed to group undertakings	-	-	5,701	10,542
Corporation tax	525	1,246	-	392
Other taxation and social security	1,055	1,072	-	-
Obligations under finance lease and hire purchase contracts	48	-	-	-
Contingent deferred consideration	11,771	19,622	11,317	12,538
Other creditors	909	1,196	301	855
Accruals and deferred income	3,017	3,150	108	117
	17,931	27,026	17,427	24,444

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

15. Liabilities – current (continued)

During the year the Group continued to hold an overdraft arrangement with Barclays Bank, the bankers to the Group, which has a cross guarantee between Foster Denovo Group Limited, Foster Denovo Limited and Sequel Investments Limited.

Amounts owed to group undertakings are interest free and repayable on demand.

16. Liabilities – non-current

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Obligations under finance lease and hire purchase contracts	91	-	-	-
Loans	72,409	60,113	72,409	60,113
Warrant	6,998	6,998	6,998	6,998
Contingent deferred consideration	4,263	10,223	3,854	10,028
Other creditors	2	117	-	-
	83,763	77,451	83,261	77,139

The loan of £72.4m (2024: £60.1m) represents the balance sheet carrying value of the liability associated with the Crestline preferred shares. As at 31 December 2025 the Group has drawn £60.0m (2024: £56.8m) being 18,018,018 (2024: 17,057,057) preferred shares (note 23). The preferred shares are first repayable on 28 February 2027 and carry a coupon rate of 10% per annum.

In addition to the preferred shares the Crestline investment provides them with a warrant for a minority interest of the equity value of the Group after the preferred shares have been repaid. The warrant has been recognised as debt in the balance sheet at managements estimate of fair value with £7.0m (2024: £7.0m) recognised as debt in 2025. Note 19 provides further detail regarding the valuation of the warrant.

Total contingent deferred consideration amounting to £16.0m (2024: £29.8m) relates to amounts payable between one and four years to owners of the businesses acquired from 2022 to 2025. These amounts are contingent upon future earnings derived from the acquired client books. A review has been conducted on the earnings performance during the year and, where appropriate, contingent consideration payable has been adjusted to reflect performance.

17. Hire purchase and finance leases

Minimum lease payments under hire purchase and finance leases fall due as follows:

Group	2025 £'000	2024 £'000
Within one year	48	-
Between 1-2 years	91	-
	139	-

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

18. Commitments under operating leases

At 31 December 2025, the Group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2025 £'000	2024 £'000
Within one year	1,243	1,062
Between 1-5 years	1,429	2,316
After 5 years	-	-
	2,672	3,378

19. Financial instruments

	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	14,839	23,584	2,205	14,244
Financial (liabilities)				
Financial (liabilities) measured at amortised cost	(82,925)	(92,763)	(78,519)	(94,523)
Financial (liabilities) measured at fair value	(6,998)	(6,998)	(6,998)	(6,998)

Financial assets measured at amortised cost comprise cash, trade receivables, other receivables and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade payables, other payables, accruals and amounts owed to group undertakings.

Financial liabilities measured at fair value represent the value of a warrant instrument written by the Group to Crestline Inc. in February 2022 as part of the terms of their investment in the Group.

For a given amount of preferred share draw down, the warrant gives Crestline Inc. the right to exercise into a minority interest shareholding. The percentage of this shareholding rises as more funding is drawn. The warrant has a 10-year life from 28 February 2022 and can be settled for W1 ordinary shares, W2 redeemable ordinary shares or cash settled as follows:

- Before 28 February 2027 only into W1 shares
- After 28 February 2027 into W1 or W2 shares
- After 28 February 2027 and before 28 February 2029, if all preferred shares have been repaid, Crestline Inc. may issue a cash settle notice to the Group
- After 28 February 2029 years the Group can issue a cash settle notice to Crestline Inc.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

19. Financial instruments (continued)

There was no change in fair value of the warrant in the year (2024: £1,148k loss).
The warrant has been valued assuming no further draw down of funds and an exercise into shares at 28 February 2027 using a Black-Scholes model.

The key inputs to the Black Scholes model are:

- Period to maturity 1.2 years (2024: 2.2 years)
- Volatility 38.6% (2024: 35.6%) (measured as the standard deviation of expected share price returns and based on a statistical analysis of daily share prices of publicly quoted companies)
- Risk free interest rate 3.7% (2024: 4.7%)
- Underlying share price 19.0p (2024: 19p) being managements estimate of the value of a minority stake in the Group taking into account a discount to reflect the illiquidity of the shares in a Private Company and restrictions on share trading in the Articles
- No dividends during the period.

20. Provisions

Group	Total provision £'000
At 1 January 2025	53
Utilised in the year	(230)
Charged to profit and loss	190
At 31 December 2025	13

Provisions include the following:

Provision for indemnity commission

The provision for indemnity commission relates to the expected value of commissions reclaimable by product providers should policies be cancelled after their sale and within their indemnity period. A proportion of these amounts will usually be recovered from the relevant adviser. Where the collection of such monies is doubtful, the Group makes an appropriate provision against the debtor.

Claims payable

In the normal course of business, the Group receives queries and complaints regarding the sale of regulated financial products. Where appropriate these claims are investigated in accordance with the Group's procedures and provision is made for potential liabilities which may arise.

21. Deferred tax

	2025 £'000	2024 £'000
At 1 January 2025	103	81
Origination and reversal of timing differences	(51)	36
Adjustment in respect of previous period		(12)
Additions from acquisitions in the year	(1)	(2)
At 31 December 2025	51	103

The deferred tax asset arises from brought forward losses and timing differences between depreciation and available capital allowances.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

22. Acquisitions of trade and assets

On 1 January 2025, the Group acquired 100% of the share capital of Verum Wealth Limited.

The business was acquired by the Group for total consideration of £1.5m in cash, acquisition fees and deferred consideration. The deferred consideration is dependent on future performance targets for the business and the fair value represents the expected amount due to the former owners of the businesses.

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets	1	-	1
Cash	108	-	108
Total Assets	109	-	109
Creditors	(69)	-	(69)
Fair value of net assets	40	-	40
Goodwill			1,400
Total purchase consideration			1,440
Cash outflow on acquisition			930
Contingent deferred consideration			510

The intangible assets comprise customer lists and customer relationships. Since acquisition, the business has contributed £216k to profit and £453k to turnover.

23. Share capital

Group and Company	2025 £'000	2024 £'000
Allotted, called up and fully paid		
87,357,874 (2023: 62,736,505) 'A' ordinary shares of £0.01 each	902	874
4,598 (2023: 4,885) 'C' ordinary shares of £0.0001 each	-	-
21,870,321 (2023: 20,087,600) 'D' ordinary shares of £0.0001 each	2	2
17,057,057 (2023: 11,711,712) Preferred shares of £0.01 each	-	-
	904	876

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

23. Share capital (continued)

Number of shares	'A' Ordinary	'C' Ordinary	'D' Ordinary	Preferred
At 1 January 2025	87,357,874	4,598	21,870,321	17,057,057
Share exchange				
Issued in year	2,836,766	-	1,807,500	960,961
Repurchased in year	-	(144)	(902,350)	-
At 31 December 2025	90,194,640	4,454	22,775,471	18,018,018

The 'A' ordinary shares have full income, capital and voting rights.

The 'C' ordinary shares carry no right to dividends but may carry a right to assets on a sale or winding up, as defined in the Articles of Association of the Company. They do not have voting rights or right of redemption.

The 'D' ordinary shares carry no right to dividends but may carry a right to assets on a sale or winding up, as defined in the Articles of Association of the Company. They do not have voting rights or right of redemption.

Preferred shares carry a preferential right to dividends and a preferential right to the Company's assets on a sale or winding up. They do not have voting rights nor right of redemption unless certain conditions are met. They have capital distribution rights when certain conditions are met. All conditions are defined in the Articles of Association of the Company. The shares are classified as debt instruments in creditors.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

24. Share based payments

The Group operates a number of adviser, executive and employee equity settled share-based payment schemes.

Enterprise Management Incentive Scheme

Foster Denovo Group Limited staff share scheme gives the opportunity to have shares in the parent company. The Shares vest to the employees after a three-year period, and after certain non-market performance conditions have been met, the options are lapsed if the employee leaves the Group before the options vest. The scheme is an HMRC approved employee share scheme. EMI options have been granted over the A and H share classes.

	2025 Weighted average exercise price (pence)	2025 Number	2024 Weighted average exercise price (pence)	2024 Number
EMI options on A shares	7.7	17,609,207	7.8	18,835,007
EMI options on H shares	1.0	4,999,999	1.0	4,999,999
Outstanding at the beginning of the year		22,609,206		23,835,006
Granted during the year	-	-	-	-
Exercised during the year	5.1	(792,275)	10.4	(1,200,000)
Lapsed during the year	7.2	(110,833)	8.4	(25,800)
EMI options on A shares	7.8	16,706,099	7.7	17,609,207
EMI options on H shares	1.0	4,999,999	1.0	4,999,999
Outstanding at the end of the year		21,706,098		22,609,206

All grants, exercises and lapses during the year and the prior year relate to A shares.

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24. Share based payments (continued)

Date of grant	Number of shares	Period of option	Price per share (Pence)
14/12/2015	0	2015-2022	5.0
10/11/2016	1,019,533	2016-2026	7.0
10/11/2016	154,000	2019-2026	7.0
10/11/2016	46,000	2020-2026	7.0
27/11/2017	1,005,998	2017-2027	6.5
27/11/2017	1,902,781	2017-2027	7.0
27/11/2017	165,647	2018-2027	7.0
27/11/2017	332,426	2019-2027	7.0
27/11/2017	666,700	2020-2027	7.0
27/11/2017	4,088,266	2021-2027	7.0
01/12/2017	1,005,450	2017-2027	6.5
01/12/2017	761,514	2017-2027	7.0
01/12/2017	80,000	2018-2027	7.0
01/12/2017	80,000	2019-2027	7.0
01/12/2017	1,000,000	2021-2027	7.0
20/02/2019	352,000	2022-2029	12.0
25/02/2019	150,000	2022-2029	7.0
25/02/2019	792,000	2022-2029	12.0
26/02/2019	290,000	2022-2029	12.0
04/03/2019	170,000	2022-2029	12.0
07/05/2019	54,000	2022-2029	7.0
28/02/2020	751,250	2022-2030	7.0
28/02/2020	148,734	2022-2030	11.0
06/03/2020	250,000	2022-2030	7.0
12/06/2020	0	2020-2030	11.0
12/06/2020	1,250,000	2023-2030	11.0
04/02/2022	189,800	2024-2032	11.0
Total	16,706,099		

At 31 December 2025 the following share options were outstanding in respect of the H ordinary shares:

Date of grant	Number of shares	Period of option	Price per share (Pence)
18/02/2019	4,999,999	2019-2029	7.0

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

24. Share based payments (continued)

Adviser Share Option Scheme 2013

The Company established the Foster Denovo Group plc Unapproved Share Option Plan in 2009. Options granted to advisers have vesting periods ranging from immediate vesting to 4.5 years. Some of the options will vest based on key performance indicators. The options lapse should the adviser cease to be registered through Foster Denovo Limited.

	2025 Weighted average exercise price (pence)	2025 Number	2024 Weighted average exercise price (pence)	2024 Number
Outstanding at the beginning of the year	7.8	28,786,391	7.8	28,972,774
Granted during the year		-		-
Exercised during the year	7.8	(2,044,491)	6.5	(177,619)
Lapsed during the year	7.0	(441,000)	16.0	(8,764)
Outstanding at the end of the year	7.9	26,300,900	7.8	28,786,391

Adviser Share Option Plan 2013

At 31 December 2025 the following share options were outstanding in respect of the ordinary shares:

Date of grant	Number of shares	Period of option	Price per share (Pence)
14/12/2015	-	2015-2025	5.0
14/12/2015	-	2016-2025	5.0
14/12/2015	-	2017-2025	5.0
10/11/2016	1,383,942	2016-2026	7.0
10/11/2016	13,500	2018-2026	7.0
17/01/2017	112,500	2019-2027	7.0
08/12/2017	1,937,362	2017-2027	6.5
08/12/2017	784,750	2017-2027	7.0
08/12/2017	242,186	2018-2027	7.0
08/12/2017	1,027,689	2019-2027	7.0
08/12/2017	14,699,998	2021-2027	7.0
19/06/2018	246,544	2018-2028	7.0
26/11/2018	321,234	2018-2028	7.0
05/08/2019	276,875	2019-2029	5.0
28/02/2020	341,184	2020-2030	7.0
20/03/2020	30,921	2023-2030	11.0

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

24. Share based payments (continued)

09/04/2021	7,294	2021-2031	7.0
09/04/2021	419,147	2021-2031	11.0
17/11/2021	40,000	2021-2027	6.5
17/11/2021	173,000	2021-2027	7.0
23/12/2021	431,873	2021-2031	15.0
27/05/2022	3,052,941	2022-2032	11.0
27/05/2022	757,960	2022-2032	16.0
22/06/2022	0	2022-2032	16.0
Total	26,300,900		

There were no options granted in 2025 (2024: nil).

25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,460k (2024: £1,112k). Contributions totalling £250k (2024: £237k) were payable to the fund at the reporting date and included in accruals.

26. Analysis of net debt

Group

	1 January 2025	Cash flows	Acquisitions	31 December 2025
	£'000	£'000	£'000	£'000
Cash and cash equivalents	19,692	(10,288)	(2,147)	7,257
Net debt	19,692	(10,288)	(2,147)	7,257

There are no restrictions over the use of the cash and cash equivalents balances.

27. Related party transactions

A loan was issued to Mr. Roger Brosch, a Director of the Company, in March 2022. During the year, no additional loans were issued from the Group (2024: £Nil).

This loan is repayable in March 2029 or earlier under certain conditions. Interest was charged at the HMRC official rate of interest:

- 2.00% from inception up to 5 April 2023
- 2.25% from 6 April 2023 till 5 April 2024
- 3.75% from 6 April 2025 onwards.

Interest charged to Mr Brosch in relation to his loan balance for the year totalled £21k (2024: £14k).

At 31 December 2025, the balance owed to the Company including interest is £654k (2024: £633k).

There is no ultimate controlling party to the Group.

Foster Denovo Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2025

28. Events after the end of the reporting period

During the first quarter of 2026, the Group acquired the businesses of a further two self-employed advisers through Practice Buyouts. These Practice Buyout transactions were for a total consideration of £1.39m in cash, acquisition fees and deferred consideration.

These acquisitions are expected to increase the Group's turnover and EBITDA. This will be measurable at the end of the Group's next financial year.

There has been further issuance of 625,300 preferred shares post year end.

There were no other post year end events to report.