14 August 2025

**MHA plc**

("MHA", the "Company" and together with its subsidiaries the "Group")

**Full Year Results**

*Strong performance, successful IPO and clear momentum*

MHA (AIM: MHA), a leading professional services provider of audit and assurance, tax, accountancy and advisory services, announces the full-year combined results of its operating entities for the year ended 31 March 2025 ("FY25"). This was the accounting period ending immediately prior to the Company's IPO on 15 April 2025 and the results are presented on the same basis as the historical information set out in the Company's AIM Admission Document, adjusted where stated below.

**Financial highlights**

- Revenue up 45% to £224.2m (FY24: £154m), with recurring fees representing c.87% of total revenue (FY24: 87%)
- Adjusted EBITDA[1] up 32% to c.£41.1m from £31m in FY24 (adjusted for post-IPO partner remuneration)
- Adjusted Profit before tax[2] up 31% to c.£36.3m from £27.7m in FY24 (adjusted for post-IPO partner remuneration)
- Net cash of £17.7m at 31 March 2025 (FY24: £26.0m), further bolstered by the net IPO proceeds post-period
- Cash conversion of c.91% from pre-tax profit, adjusted for a non-cash bargain purchase, to operating cash flow (FY24: 89%)

**Operational highlights**

- Admission to trading on AIM in April 2025 (post-period), raising approximately £98m gross and significantly increasing profile with clients, potential clients and future M&A targets
- Successful integration of firms acquired in the UK and Ireland in FY24 and FY25
- Growth achieved across all sectors and service lines
- Completed acquisition of Baker Tilly South-East Europe ("BTSEE") in August 2025 (post-period), expanding presence into Cyprus, Greece and South-East Europe

**Current trading and outlook**

- Strong start to FY26 with trading on track to meet market expectations for the full year[3]
- Demand for high-quality advisory services continues to rise, despite wider market volatility
- Structural trends such as increasing regulatory complexity continue to support the Group's model

**Rakesh Shaunak, Chief Executive Officer of MHA, commented:**

*"These results reflect a year of strong progress for MHA, capped shortly after the period end by our successful IPO – a landmark moment for the firm. Admission was the culmination of detailed planning and considered decision-making, and has given us an ideal platform: long-term investors alongside our partners, the resources to invest with discipline and the enhanced profile to accelerate our growth.*

*"Performance in FY25 was strong across the board, with growth in every sector and service line and excellent cash generation. Since Admission, we have acted decisively and with purpose – exploring focused investments in technology and talent, enhancing our market position and completing our first major international acquisition.*

*"Trading remains in line with market expectations for FY26. While market conditions remain demanding, the trends driving our profession are firmly in our favour. With a clear strategy, a strong balance sheet and an exceptional team, I am confident that we are well placed to deliver on the commitments we set out at IPO and to build a business of even greater scale and quality in the years ahead."*

[1] *Adjusted EBITDA reflects the application of the new plc remuneration structure (i.e. after partner remuneration) to the historical results to provide a comparable post-IPO basis of earnings. EBITDA is stated on a combined basis for the Group's operating entities prior to partner remuneration under the historical LLP structure, consistent with the presentation in the Company's AIM Admission Document was £ 84.8m in FY 25, a 36% increase over £61.6m achieved in FY24.*

[2] *Adjusted Profit before tax reflects the application of the new plc remuneration structure (i.e. after partner remuneration) to the historical results, and excluding a gain on bargain purchase, to provide a comparable post-IPO basis of earnings. Profit before tax presented on pre-reorganisation basis, after depreciation and amortisation but before partner remuneration in FY25 was £85.9 a 47.8% increase on £58.1 achieved in FY24.*

[3] *The Group believes current market expectations for FY26 to be revenue of £240.0m and adjusted EBITDA of £42.2m.*

**Analyst and retail investor presentations**

Management will host an in-person analyst presentation at 9:30 a.m. today. Any analyst wishing to attend is invited to register by emailing mha@almastrategic.com.

Management will also host a live investor presentation, open to all existing and potential shareholders, on Friday 15 August at 2.30 p.m. via the Engage Investor platform. Register here.

**Contacts**

| | |
|---|---|
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**About MHA**

Founded in 1869, MHA is a leading professional services provider of audit and assurance, tax, accountancy and advisory services, based in the UK with an international presence.

Following the acquisition of Baker Tilly South-East Europe on 10 August 2025, MHA now employs more than 2,300 people and has 153 Partners across its network of 30 offices, in the UK, Ireland, South-East Europe and the Cayman Islands.

MHA is the representative of the Baker Tilly International ("BTI") network in the UK. Ireland, Cyprus, Greece, Romania, Bulgaria and Moldova.

## Chief Executive Officer's Statement

### Landmark IPO setting the stage for long-term growth

I am delighted and honoured to present to you the maiden results for our underlying business following our Admission to the AIM market on April 15, where we raised gross proceeds of approximately £98m, the largest AIM IPO of 2025 and the largest in the Professional Services sector for five years. This is an impressive journey for MHA as a leading professional services provider of audit and assurance, tax, accountancy and advisory services that can trace its roots to the 1860s, but which has its focus very much on the 2030s.

Our IPO was at least two years in the making, following early discussions with the London Stock Exchange about the potential benefits of long-term investors who might buy into our vision of growth, take a supportive position as we continue to deliver on our business model, and wouldn't seek to direct or manage our affairs. This was seen as being in stark contrast to a private equity approach where investment horizons are typically short-term and prospective returns likely to be unevenly spread. Having evaluated all options, we are confident that we have chosen the right path for MHA, with the IPO also allowing everyone in the firm the opportunity to participate in our expected future growth. The establishment of an Employee Benefit Trust is an example of the inclusive approach we promote across the Group.

When the Board and our advisers were in the final stages of completing the IPO fundraising in April, the US president unveiled his placard of reciprocal tariffs that sent shock waves through global markets. We could easily have done what many other companies in our position did and defer the IPO due to the uncertainty. However, we and our core investors see the IPO as the first step on a journey of expansion and exactly where you start from is much less important than where you plan to go. As a result, the equity partners of MHA approved the changes needed to proceed with the offering, which was exactly the right thing to do for the business, our people and our clients.

Due to the timing of the IPO, the results we are presenting cover the year ended 31 March 2025 and reflect the combined audited results of the trading entities for the year prepared on the same basis as the historical financial information presented in the Company's AIM Admission Document. The Company's first consolidated unaudited results will cover the six months ended 30 September 2025 and the first post-IPO audited results will be for the year ending 31 March 2026.

### Market dynamics creating clear opportunities

The market trends highlighted at IPO remain firmly in our favour. The UK audit and accounting market is estimated to generate revenue of £8.8bn in FY25 and has increased at a CAGR of approximately 5.0% since FY20, with the Big Four's share forecast to slowly reduce, creating opportunities for ambitious challenger firms. Heightened regulatory focus, rising client expectations and a shortage of skills are prompting businesses to look beyond the Big Four for high-quality, multi-service advisers.

We believe these dynamics are structural, not cyclical, and will continue to drive demand for firms with scale, breadth and sector expertise. MHA is well positioned to benefit, and we see a clear runway for growth as we strengthen our market position through investment, talent and carefully targeted acquisitions.

### Strong financial performance

Our combined results for the year ended 31 March 2025 reflect revenue of £224.2m (FY24: £154m), an increase of 45.5%, of which approximately 38% of the total growth was organic. Reported partnership profit before tax was £85.9m (FY24: £58.2m), an increase of 47.6%.

Our operating margins remained resilient during the year despite this growth and cash conversion, adjusting for the gain on a bargain purchase, was 91% (FY24: 89%). The adjusted EBITDA of the business, with partner remuneration calculated on the basis that it applies in our post-IPO structure, would have been £41.1m (FY24: £31m), an increase of 32.6%.

Overall, this was a tremendous result for a business that was continuing to grow organically and by way of acquisition during the year while managing to plan and ultimately deliver a successful IPO, which we expect to underpin our future growth strategy.

**Broad-based growth across sectors and services**

We saw growth in every business sector during the year, with Retail, Consumer & Hospitality, Real Estate & Construction, Financial Services and Automotive &Transport, being particularly strong, and in each service line across the firm.

Our growth has been based upon, and will continue to be driven by, favourable market drivers linked to increasing and more complex regulation and extended compliance and oversight requirements in many industries. We believe fewer accounting firms have the resources, and partners the appetite, to service larger clients in a more challenging regulatory world, and others are not equipped to service the demands of emerging international clients.

Our recurring revenue rate of approximately 87% (FY24: 87%), reflects the success of our highly focused and market facing business sector approach, effective cross selling strategies, the adoption and development of enhanced technology and AI in driving efficiencies and quality, and most of all the efforts and quality of an exceptional team of staff and partners, without whom our success would not have been possible.

**Executing a disciplined M&A strategy**

We completed the acquisition of BTSEE on 10 August 2025, with consideration of approximately €24m (including cash and share consideration). The acquisition of BTSEE, part of the Baker Tilly International network, extends MHA's geographic footprint into Cyprus, Greece and South-East Europe, and complement our existing service lines. As I said at completion, I am delighted to welcome our new colleagues into the MHA family and look forward to working together with them as one firm.

M&A remains a key part of our growth strategy. The IPO has given us a stronger platform to pursue selective, high-quality acquisitions that extend our geographic reach, deepen our sector expertise and add complementary services. The UK accountancy and advisory market remains highly fragmented, and we continue to assess opportunities, both domestically and internationally, that fit our culture and enhance long-term value for shareholders.

**Advancing our technology, AI, data and analytics capabilities**

Our technology strategy is focused on data, analytics and the delivery of meaningful insight. While we remain grounded in business fundamentals, we are preparing proactively for an evolving future, with targeted investment to support long-term growth. This includes secure, scalable platforms that improve decision-making, client service and operational efficiency, with a focus on mature SaaS solutions backed by strong governance and regulatory compliance.

Artificial intelligence is playing an increasingly important role in the evolution of our service model. We are taking a measured and responsible approach, adopting technologies that meet our standards for cost, maturity and suitability. Current initiatives include using automation in Personal and Corporation Tax to streamline document processing and report generation, and piloting tools such as ChatGPT Enterprise and Microsoft Co-Pilot to support research, planning and drafting. Around 50% of our people now use AI or automation tools, with 30% having received formal role-specific training.

In FY26, our biggest area of focus is data. We are investing in a modern architecture that will unify reporting across finance, HR and client systems, which in turn improves visibility, accuracy and agility in decision-making. Enhancements to forecasting, performance management and profitability tracking are already underway, and we are exploring the development of bespoke AI tools, particularly within Tax, where structured data and repeatable processes present clear opportunities.

**A culture built around excellence and accountability**

Following our acquisitions and expansion in FY25, our headcount in the UK, Ireland, South-East Europe and Cayman is now more than 2,300 people across 30 offices with 153 partners.

Within the Group we have built a culture focused on providing exceptional client service, empowering partners and employees to set the highest standards and to take responsibility and ownership for the quality of services delivered. In this way we encourage the development of our entire team and recognise that for our clients MHA is a firm with strength, scope and depth, not a group of individuals. This applies particularly for our international clients and overseas transactions.

**Commitment to ESG**

The Group takes its ESG responsibilities seriously and continues to implement and enhance measures appropriate for a business of its size and nature. The Board also recognises the importance of strong corporate governance and is committed to following the requirements of the QCA Code. We are confident in the integrity of our internal controls and financial reporting procedures and remain focussed on transparent engagement with all stakeholders through regular communication and investor reviews.

We have a fundamental and strong ESG commitment across the Group. Adopted at an early stage, we fully support the UK Government's ambitious plans to reduce greenhouse gas emissions to net zero carbon ("net zero") by 2050. As a Group, we are working to become a net zero organisation by 2030 – and by 2040 at the latest. Importantly, net zero, is only one component of our broader ESG reporting frameworks.

We align under four distinct pillars representing our sustainability approach as a firm, including our internal societal licence approach to operate, taking the 'Social' element of ESG beyond standard in the profession:

- We voluntarily report under UK regulatory frameworks though a separate annual sustainability report.
- We adopt highly robust audit, assurance and advisory services with multi-jurisdictional ability to regulatorily report for our clients.
- We are leading our global network in assurance and best practice, including bespoke SME development capabilities.
- We are working closely with regulators, policy makers and sectors to guide and where appropriate, influence approach to sustainability.

Furthermore, we have invested in sustainability leadership and lead by example, servicing our global clients under the message: *Delivering a Sustainable Tomorrow. Today*.

**Positive start to FY26 with confidence in outlook**

The Group finished FY25 marginally ahead of market expectations, having raised guidance following the trading update released on June 6 2025. This performance was driven by a particularly strong Q4, robust cash generation and increasing demand for our services. Despite broader market volatility, that momentum has continued into the new financial year, with trading to date consistent with market expectations for the full year

Our successful IPO has already delivered tangible benefits: a stronger balance sheet; incentivised partners; greater profile with clients, acquisition targets and the market generally; and the ability to invest in technology and talent at greater pace.

The structural trends that shaped our IPO rationale – increasing regulatory complexity, a shortage of skills, and rising demand for multi-service advisers – remain firmly in our favour. With a high level of recurring and defensive revenues and a proven growth model, MHA is well positioned to build further scale and resilience. Our acquisition of BTSEE marks the next exciting stage of our expansion into mainland Europe and is expected to be earnings accretive from its first full year.

We also expect to benefit from the recently announced expansion of Baker Tilly in the US and the increase in profile of the Baker Tilly network globally. As the UK member firm, MHA is well placed to capitalise on the increased visibility this brings, particularly in international markets and cross-border referral activity.

Looking ahead, we are focused on sustaining strong organic growth, integrating recent acquisitions and exploring further earnings accretive M&A. These factors, together with our strong leadership team and supportive market backdrop, give the Board confidence in delivering a successful FY26 and creating long-term value, in line with our medium-term ambition of building a £500m revenue business.

## Chief Financial Officer's Review

### Financial information

We are in the unusual position of having successfully completed our IPO almost immediately after the year end so that the financial information presented here reflects the combined results of the MHA group entities for the year ended 31 March 2025, a period prior to the Company taking ownership of the group entities as part of the pre-IPO restructuring. This treatment is entirely consistent with the presentation of the historical financial information presented in the Company's AIM Admission Document. Going forward, this transaction will be treated as a group reconstruction for accounting purposes, and we will effectively merger account the results of the corporate entities from the date of the reorganisation. This treatment will be reflected in the annual audited results for the year ending 31 March 2026, and the unaudited interim results for the six months ending 30 September 2025. The Company will separately publish and send to shareholders annual audited accounts for the MHA group entities.

### Revenue

The combined MHA revenue grew by 45% in the year to 31 March 2025 to £224.2m through a mixture of organic and acquisitive growth, as set out in the revenue bridge below:

### Revenue bridge

| | |
|---|---|
| **FY24** | **£154.0m** |
| Lost clients | -£3.1m |
| Fee growth from existing clients | £9.6m |
| New clients / wins: | |
| Won in 23/24, billed FY24/25 | £10.8m |
| Won in 24/25, billed FY24/25 | £10.4m |
| Acquisitions: | |
| MHA NW Audit, ABAS & Tax | £25.2m |
| MHA NW Corporate Finance | £2.8m |
| MHA NW Wealth | £3.5m |
| Baker Tilly Ireland | £4.7m |
| Scotland | £6.3m |
| **FY25** | **£224.2m** |

The Group has a long and proven record of successfully absorbing and integrating acquisition targets and ensuring that financial controls and disciplines are quickly aligned, and synergies and economies of scale achieved. This approach continued successfully in FY25 with the integration of acquisitions in the North West, Wales and Ireland.

### Fees by service line

MHA does not account separately by service line within its management accounts, other than by fees, and the table below illustrates the revenue by principal service in FY24 and FY25. In the UK, the Group is managed on a regional and national basis, with marketing and business development following the industrial sector approach described below.

| Service Line | FY25 (£m) | % of Total | FY24 (£m) | % of Total |
|---|---|---|---|---|
| Audit & Assurance | 113.5 | 51% | 80.6 | 53% |
| Tax | 39.8 | 18% | 29.6 | 20% |
| Advisory* | 62.0 | 28% | 37.4 | 25% |
| Wealth | 8.1 | 3% | 3.2 | 2% |

**Accounting and Business Advisory Services*

The year-on-year increase in advisory services reflects the growing demand from our clients for specialist services, including corporate finance, and restructuring and recovery.

**Fees by sector**

Our sector-led go-to-market strategy has been a major driver of revenue growth over the past decade. This success reflects the deep sector knowledge and experience of our staff and partners, which we consistently leverage in conversations with clients and business introducers. We have 15 targeted sectors:

| Sector | FY25 Billed (£m) | % of Total | Total Growth | Organic Growth |
|---|---|---|---|---|
| Real Estate & Construction | £26.4 | 13% | 45% | 13% |
| Retail, Consumer & Hospitality | £26.2 | 12% | 77% | 21% |
| Financial Services | £23.4 | 11% | 26% | 13% |
| Manufacturing & Engineering | £20.7 | 10% | 55% | 29% |
| Professional Services | £19.1 | 9% | 41% | 15% |
| Technology | £16.7 | 8% | 42% | 21% |
| Not For Profit | £12.3 | 6% | 44% | 14% |
| Health Care | £11.1 | 5% | 52% | 11% |
| Automotive & Transport | £10.1 | 5% | 54% | 31% |
| Private Individuals | £10.0 | 5% | 47% | 5% |
| Energy, Natural Resources & Industrials | £8.7 | 5% | 31% | 17% |
| Agriculture & Rural Business | £5.3 | 3% | 76% | 31% |
| Media & Entertainment | £3.4 | 2% | 29% | 21% |
| Logistics & Distribution | £2.9 | 1% | 64% | 26% |
| Pharma & Life Sciences | £2.7 | 1% | 54% | 53% |

**Profitability**

Our reported results for FY25 necessarily reflect the cost structure and business model of our former partnership model. During the year, the Group's combined operating profit increased by 36.7% to £79.4m (FY24: £58.1m), profit before tax increased by 47.6% to £85.9m (FY24: £58.1m), and pre-partner remuneration EBITDA was £84.9m (FY24: £61.6m). Despite this strong growth, operating margins were resilient at 35.7%, reflecting a small reduction in the year (FY24: 37.7%) Client retention remains at high levels with recurring income representing approximately 87% of revenue (FY24: 87%).

To provide a clear bridge between the pre and post-IPO capital structure of the Group, we have restated the partnership based historical results for FY25 and FY24 to reflect the adjustment to charge partners' remuneration against income, that now applies in the 'plc' model, thereby presenting an adjusted EBITDA for FY25 of £41.1m (FY24: £31m), an increase of 33.7%, and an adjusted profit before tax (excluding a gain on bargain purchase) of £36.3m (FY24 £27.7m), an increase of 31%.

**Working capital control**

The Group's business model is highly cash generative and working capital is closely controlled in terms of billing when converting work in progress into debtors, and collection when converting debtors into cash. Lock-up at 31 March 2025 was 71 days (FY2024: 77 days). Over the year ended 31 March 2025, the cash conversion rate, adjusting pre-tax profit for the gain on bargain purchase, to operational cash flow was 91%.

The cash raised at IPO has and will be applied to:

- Finance acquisition and investment opportunities
- Release some partners' capital on an old money basis

- Allow technology investment to drive operational gearing
- Facilitate lateral hire/staff retention

The cash generated from MHA's strong terms of trade will be similarly utilised.

**Dividends**

No dividends are applicable in respect of this pre-IPO trading period. The first interim dividend is expected to be declared with the announcement of the interim results for the six months to 30 September 2025.

**Combined consolidated statements of profit or loss and other comprehensive income**

| | Note | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|---|
| **Revenue** | 4 | 224,151 | 154,037 |
| Client expenses and disbursements | | (8,466) | (4,625) |
| **Net revenue** | | 215,685 | 149,412 |
| | | | |
| Other operating income | 5 | 1,891 | 536 |
| Administrative expenses | | (138,150) | (91,841) |
| **Profit from operations** | 9 | 79,426 | 58,107 |
| | | | |
| Finance income | 10 | 812 | 1,042 |
| Finance expense | 11 | (1,294) | (963) |
| Other gains/(losses) | 12 | 6,928 | (6) |
| **Profit before tax** | | 85,872 | 58,180 |
| | | | |
| Taxation | 13 | (2,800) | (1,855) |
| **Profit for the period** | | 83,072 | 56,325 |
| | | | |
| **Other comprehensive income:** | | | |
| *Other comprehensive income* | | | |
| Exchange difference on retranslation of foreign operations | | (58) | (21) |
| **Total comprehensive income** | | 83,014 | 56,304 |

**Combined consolidated statements of financial position**

| | Note | As at 31 March 2025 £'000 | As at 31 March 2024 £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Trade and other receivables | 16 | 66,479 | 50,683 |
| Lease receivable | 20 | 355 | 341 |
| Cash and cash equivalents | 17 | 18,768 | 25,956 |
| **Total current assets** | | 85,602 | 76,980 |
| | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 14 | 4,846 | 2,593 |
| Right-of-use assets | 20 | 17,314 | 15,093 |
| Intangible assets | 15 | 23,733 | 16,306 |
| Investments | | 9 | 9 |
| Lease receivable | 20 | 1,766 | 2,120 |
| Deferred tax assets | 21 | 38 | 5 |
| **Total non-current assets** | | 47,706 | 36,126 |
| | | | |
| **Total assets** | | 133,308 | 113,106 |
| | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 18 | 29,434 | 24,217 |
| Lease liabilities | 20 | 3,238 | 2,886 |
| Borrowings | 19 | 66 | 20 |
| Current tax liabilities | 13 | 2,382 | 1,394 |
| **Total current liabilities** | | 35,120 | 28,517 |
| | | | |
| **Non-current liabilities** | | | |
| Borrowings | 19 | 1,084 | 90 |
| Lease liabilities | 20 | 16,439 | 14,785 |
| Other provisions | 26 | 5,257 | 4,252 |
| Deferred consideration | 18 | 1,832 | 2,045 |
| **Total non-current liabilities** | | 24,612 | 21,172 |
| | | | |
| **Total liabilities** | | 59,732 | 49,689 |
| | | | |
| **Net assets** | | **73,576** | **63,417** |
| | | | |
| **Members' interests** | | | |
| Members capital classified as a liability | | 14,077 | 13,359 |
| Other amounts classified as debt | | 40,975 | 34,706 |
| Invested capital | | 18,524 | 15,352 |
| **Total members' interests** | | **73,576** | **63,417** |

## Combined consolidated statements of changes in members' interests

| | Members capital classified as a liability £'000 | Other amounts classified as debt £'000 | Invested capital £'000 | Members' interests £'000 |
|---|---|---|---|---|
| **Balance at 1 April 2023** | **8,711** | **29,110** | **13,035** | **50,856** |
| Profit for the year | - | 50,865 | 5,460 | 56,325 |
| Other comprehensive loss | - | (21) | - | (21) |
| Amounts introduced by members | 6,042 | - | - | 6,042 |
| Repayment of capital | (1,394) | | | (1,394) |
| Profits distributed to members | - | (44,718) | - | (44,718) |
| Movement in capital points between Combined Group entities | - | (530) | - | (530) |
| Issue of dividends[1] | - | - | (3,143) | (3,143) |
| **Balance at 31 March 2024** | **13,359** | **34,706** | **15,352** | **63,417** |
| **Balance at 1 April 2024** | **13,359** | **34,706** | **15,352** | **63,417** |
| Profit for the year | - | 75,920 | 7,152 | 83,072 |
| Other comprehensive loss | - | (58) | - | (58) |
| Amounts introduced by members | 718 | - | - | 718 |
| Acquisitions | - | 6,003 | - | 6,003 |
| Acquisition of non-controlling interest (note 24) | - | (2,457) | - | (2,457) |
| Profits distributed to members | - | (74,709) | - | (74,709) |
| Movement in capital points between Combined Group entities | - | 1,570 | - | 1,570 |
| Issue of dividends[1] | - | - | (3,980) | (3,980) |
| **Balance at 31 March 2025** | **14,077** | **40,975** | **18,524** | **73,576** |

[1]Dividends were issued by MacIntyre Hudson Holdings Limited which is part of the Combined Group.

## Combined consolidated statements of cash flows

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before taxation | 85,872 | 58,180 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 888 | 641 |
| Amortisation of intangible assets | 1,130 | 195 |
| Amortisation of right of use assets | 3,411 | 2,692 |
| Loss on disposal of property, plant and equipment | 44 | 1 |
| (Profit)/loss on disposal of right of use assets | (86) | 6 |
| Gain on sale of investments | (1,225) | - |
| Gain on bargain purchase | (6,843) | - |
| Movement in provisions | 150 | 1,560 |
| Finance income | (812) | (1,042) |
| Finance costs | 1,294 | 963 |
| Net cash generated from operating activities before changes in working capital | 83,823 | 63,196 |
| | | |
| Increase in contract assets | (690) | (213) |
| Increase in trade and other receivables | (26,677) | (10,101) |
| Increase in trade and other payables | 14,489 | 235 |
| Cash generated from operations | 70,945 | 53,117 |
| Tax paid | (1,848) | (1,276) |
| **Net cash inflow from operating activities** | 69,097 | 51,841 |
| | | |
| **Cash flows from investing activities** | | |
| Acquisition of subsidiaries, net of cash acquired | 9 | (3,875) |
| Purchase of intangible assets | - | (1) |
| Purchase of property, plant and equipment | (2,028) | (368) |
| Sale of capital points held | 4,484 | - |
| Investments in associates | (1,370) | (630) |
| Disposal of investments | 93 | - |
| Principal received from rental income | 340 | 327 |
| Interest received from rental income | 94 | 107 |
| Interest received | 718 | 935 |
| **Net cash outflow from investing activities** | 2,340 | (3,505) |
| | | |
| **Cash flows from financing activities** | | |
| Payments to members | (70,138) | (45,515) |
| Capital invested by members | 3,265 | 6,042 |
| Capital withdrawn by members | - | (1,394) |
| Purchase of non-controlling interests | (4,277) | - |
| Equity dividends paid | (3,980) | (3,143) |
| Share buyback | (93) | - |
| Proceeds from borrowings | 1,505 | - |
| Repayments of borrowings | (465) | (3,165) |
| Interest paid | (96) | (121) |
| Principal paid on lease liability | (3,155) | (2,626) |
| Interest paid on lease liability | (972) | (771) |
| Other interest paid | (110) | - |
| **Net cash outflow from financing activities** | (78,516) | (50,693) |
| | | |
| **Net decrease in cash and cash equivalents** | (7,079) | (2,357) |
| | | |
| Cash and cash equivalents at beginning of the year | 25,956 | 28,332 |
| Effects of exchange rates on cash and cash equivalents | (109) | (19) |
| **Cash and cash equivalents at end of year** | 18,768 | 25,956 |

The principal non-cash transactions comprise additions of right-of-use assets, as detailed in note 20.

## Notes to the combined financial statements

### 1. General information

MacIntyre Hudson LLP ("MHA") is a Limited Liability Partnership ("Partnership") registered in England and Wales, its registered number is OC312313. MacIntyre Hudson Holdings Limited ("MHHL") is a private company incorporated in England and Wales, its registered numbers is 03717255. The registered address of both companies is The Pinnacle, 150 Midsummer Boulevard, Milton Keynes, Buckinghamshire, MK9 1LZ, United Kingdom.

The combined financial statements for MHA do not constitute Statutory Accounts and comprises the results of MacIntyre Hudson LLP, its subsidiary undertakings and MacIntyre Hudson Holdings Limited and its subsidiary undertakings (together, the "Combined Group") for the financial year ended 31 March 2025, and the comparative financial year ended 31 March 2024.

The principal activity of the Combined Group is the provision of professional services to clients.

### 2. Material accounting policy information

#### a. Basis of preparation

The financial statements provided for the Combined Group is for the following entities in respect of the years ended 31 March 2025 and 31 March 2024 (or where acquired during the period from a third party, from the date of acquisition):

| | |
|---|---|
| MacIntyre Hudson LLP | MacIntyre Hudson Holdings Limited |
| MacIntyre Hudson Service Limited | MHA Financial Solutions Limited |
| Blackfriars Tax Solutions LLP | MacIntyre Hudson Limited |
| Cell MHA | MHA Trustees Corporation |
| Meston Reid Limited | MHA Tax Safe Limited |
| MHA Wealth Management Holdings Limited | MacIntyre Hudson Corporate Finance Limited |
| MHA Caves Investment Management Limited | MHA MacIntyre Consulting Limited |
| MHA Caves Wealth Limited | MHA Limited |
| MHC Limited | MHA MacIntyre Hudson Cayman Limited |
| Moore and Smalley LLP | MacIntyre Hudson Ireland Limited |
| Baker Tilly Ireland GP Limited | Baker Tilly Ireland Audit Limited |
| Baker Tilly Ireland Limited Partnership | |

The financial statements have been prepared in accordance with UK-adopted international accounting standards ("IFRS"), except as detailed below, on a going concern basis and under the historical cost convention. The financial statements is presented in Pounds Sterling (£), and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

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

<u>Departures from IFRS</u>

IFRS does not provide for the preparation of combined financial statements, and accordingly in preparing the financial statements there have been some departures from IFRS, as detailed below:

i) The financial statements are prepared on a combined basis and therefore does not constitute a set of general-purpose financial statements under paragraph 2 of IAS 1 and consequently the Combined Group does not make an explicit and unreserved statement of compliance with IFRS as contemplated by paragraph 16 of IAS 1; and
ii) The financial statements have not been prepared in accordance with IAS 1 'Presentation of Financial Statements'. As the financial information is prepared on a combined basis all capital and

reserve balances, including equity and debt, are merged into “members interests”. This is further detailed in the policies below.

In all other respects, IFRS has been applied.

**b. Financial information layout and aggregation**

The entities comprising the Combined Group do not include a single overall holding company for the period under review and therefore do not form a legal group for accounting purposes. However, all entities have been controlled by common members throughout the period covered by the financial statements and have therefore been aggregate throughout the period they had senior decision-making management in common and the key decisions for each Combined Group impacted the other. Entities which have been acquired by those entities during the year from third parties have been treated as acquired and have been consolidated in the financial information of the acquirer from the date of acquisition.

**c. New and amended standards and interpretations**

The financial statements have been prepared in accordance with IFRSs. The following IFRSs (including amendments thereto) and IFRIC interpretations have been adopted:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current;
- Amendments to IAS 1 Non-Current Liabilities with Covenants;
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback; and
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements.

There are certain new standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Combined Group has decided not to adopt early. These standards, amendments or interpretations are not expected to have a material impact on the Combined Group.

**d. Basis of consolidation**

*Entities under common control*

The entities comprising the Combined Group do not form a legal group for accounting purposes throughout the financial statements. However, all entities have been controlled by common members throughout the years covered by the financial statements and have therefore been treated as a combination of entities under common control, with transactions between the entities treated as if they were subsidiaries part of a legal group as detailed below.

*Subsidiaries*

Subsidiaries are all entities over which MHA has control. Control is achieved when MHA is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when MHA has less than a majority of the voting or similar rights of an investee, MHA considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Combined Group's voting rights and potential voting rights.

MHA re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to MHA. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date MHA gains control until the date MHA ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Combined Group.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Combined Group are eliminated in full on consolidation.

*Business combinations*

The financial statements incorporate the results of business combinations using the acquisition method of accounting in accordance with IFRS 3 Business Combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. All transaction related costs are expensed in the period they are incurred as operating expenses. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement. The results of acquired operations are included in the combined statement of comprehensive income from the date on which control is obtained.

**e. Revenue recognition**

IFRS 15 "Revenue from Contracts with Customers" is a principle-based model of recognising revenue from contracts with customers. It has a five-step model that requires revenue to be recognised when control over goods and services are transferred to the customer.

Revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations in the contract. There is one single performance obligation being the provision of professional services in relation to a particular matter and the transaction price is therefore allocated to this single performance obligation. Variable consideration is included in revenue only to the extent that it is highly probable that a significant reversal will not be required when the uncertainty associated with the variable consideration is subsequently resolved.

This occurs as follows for the Combined Group's contract types:

- Time and materials contracts are recognised over time in the accounting period when services are rendered as the Combined Group has an enforceable right to payment for work performed to date under its client terms of engagement.
- Fixed-fee contracts are recognised over time, based on the actual service provided to the end of the reporting period relative to total services to be provided, generally assessed by reference to actual inputs of time and expenses as a proportion of the total expected inputs, where the Combined Group has an enforceable right to payment for performance completed to date under its client terms of engagement. and there is an inability to redirect the related contract asset for another purpose.
- Contingent fee contracts, over and above an agreed minimum fee, are recognised at the point in time that the contingent event occurs, and the Combined Group has become entitled to the revenue.
- Commissions and fees are earned for facilitating client transactions. Commissions and fees are recognised at a point in time the associated service has been completed which is generally the trade date of the transaction.

Revenue from contracts for the provision of professional services is recognised by reference to stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the Statement of Comprehensive Income in the period in which the circumstances that give rise to the revision become known by management.

Revenue includes appropriate amounts in respect of unbilled revenue to the extent that the outcome of these contracts can be assessed with reasonable certainty, which is included in contract assets. Contract assets are reclassified as trade receivables when billed and the consideration has become unconditional because only the passage of time is required before payment is due. A contract liability is defined by an obligation to transfer goods or services to a customer for which receipt of consideration has already occurred, as the amount billed by the Combined Group never exceeds the revenue recognised, therefore no contract liabilities are recognised.

The Combined Group does not adjust the transaction price for the time value of money as it does not expect to have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

### f. Foreign currencies

The functional currency for each entity in the Combined Group is the currency of the primary economic environment in which the entity operates. The financial statements are presented in Pounds Sterling, which is the Combined Group's presentational currency.

Transactions in currencies other than the functional currency of each entity are recorded at the exchange rate on the date the transaction occurred. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in profit or loss.

For the purposes of preparing the financial statements, the assets and liabilities of the Combined Group are expressed in Pounds Sterling using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as other comprehensive income and are transferred to the Combined Group’s translation reserve.

### g. Other operating income

Other operating income represents all other income received by the Combined Group. This primarily relates to commissions and compensation payments received for historic business relationships which are not considered ongoing.

### h. Employee benefits: pension obligations

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

The contributions are recognised as an expense in profit or loss when they fall due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### i. Net finance expense

*Finance income*

Finance income comprises of interest received on bank balances and rental income and is recognised in profit or loss when it is earned.

*Finance costs*

Finance costs comprise of interest payable on leases and other financial liabilities which are expensed in the period in which they are incurred.

### j. Taxation

The taxation payable on profits of MHA is the personal liability of the Members during the year and accordingly, no provision is made in the financial statements. Tax on profit or loss for the year comprises current tax for subsidiary company undertakings of MHA and other companies within the Combined Group.

*Current tax*

Current tax payable is based on the taxable profit for the year calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

*Deferred tax*

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases and is accounted for using the balance sheet liability method.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted and are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Judgement is applied in making assumptions about future taxable income, recognition of deferred tax assets, as well as the anticipated timing of the utilisation of the losses of the Combined Group.

### k. Property, plant and equipment

Property, plant and equipment is 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.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Land is not depreciated. Assets under construction are not depreciated until they become available for use.

Depreciation is provided on the following basis:

| | |
|---|---|
| - Leasehold improvements | Underlying lease up to maximum of 10 years |
| - Fixtures, fittings and equipment | 3 to 5 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.

At each reporting period end date, management reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

### l. Intangible assets

*Goodwill*

Goodwill represents the excess of consideration transferred and non-controlling interest acquired over the fair value of identifiable net assets acquired in a business combination. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 6).

*Other intangible assets*

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.
Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset under IAS 38 Intangible Assets. Such assets are only recognised if either:

- They are capable of being separated or divided from the company and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the company intends to do so; or
- They arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The cost of such intangible assets is the fair value at the acquisition date. All intangible assets acquired through business combinations are amortised over their estimated useful lives. The significant intangibles recognised by the Group acquired in business combinations are customer relationships which have been valued using the multiple period excess earnings method.

Intangible assets comprise customer relationships and software. Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

| | |
|---|---|
| - Customer relationships | 10 years |
| - Software | 3 years |

The estimated useful lives are based upon management’s best estimate of the expected life of the asset. Useful lives are reconsidered if circumstances relating to the asset change or if there is an indication that the initial estimate requires revision.

**m. Impairment of non-financial 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 amount 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 at the lowest levels for which there are separately identifiable cash flows (CGUs). 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.

**n. Leases**

*The Combined Group as a lessee*

At inception of a contract, the Combined Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Combined Group assesses whether: an identified physically distinct asset can be identified; and the Combined Group has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term being able to restrict the usage of third parties as applicable.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the incremental borrowing rate on commencement of the lease is used. The incremental borrowing rate is an appropriate measurement because it provides a practical, reliable, and company specific estimate of the lease liability's present value. It ensures compliance with IFRS 16 while allowing lessees to apply a consistent approach across various lease agreements.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Combined Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the Combined Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement, in line with IFRS 16. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

*The Combined Group as a lessor*

As a lessor the Combined Group classifies its leases as either operating or finance leases.

The Combined Group assesses whether it transfers substantially all the risks and rewards of ownership. Those assets that transfer substantially all the risks and rewards are classified as finance leases. All of the Combined Group’s leases are classified as finance leases.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Combined Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Combined Group’s net investment in the lease.

**o. Cash and cash equivalents**

Cash and cash equivalents are financial assets and include cash at bank and in hand and short term highly liquid deposits which are subject to an insignificant risk of changes in value.

### p. Financial assets

Financial assets comprise trade and other receivables and cash and cash equivalents and are all held at amortised cost.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables) but also incorporate other types of financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade and other receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses ("ECL") method. During this process the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the receivables. For trade and other receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade or other receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

### q. Financial liabilities

All financial liabilities are recognised in the statement of financial position when the Combined Group becomes a party to the contractual provision of the instrument.

*Financial liabilities measured at amortised cost*

The Combined Group's financial liabilities measured at amortised cost comprise trade payables and other payables, lease liabilities and bank and other borrowings.

These financial liabilities are initially measured at fair value net of any transaction costs directly attributable to the issue of the instrument and are subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortised cost of a financial liability.

### r. Members' interests

Members' interests contains both elements of equity, being invested capital, and liabilities, being members' interests detailed as members capital classified as a liability and other amounts classified as debt, due to the combination of the two separate Groups, as detailed in Note 2a, being a departure from IFRS.

*Equity instruments*

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

*Members' capital and other liabilities*

Non-designated members receive an agreed percentage profit share with the remaining profits for each period being allocated between members in accordance with the rights set out in the partnership agreement. It is therefore considered that a contractual liability exists under IAS 32 'Financial Instruments: Presentation' in respect of the Group's profits, and these amounts are recognised as a liability in the statement of financial position. These amounts are included within the total profit or loss in each year presented and are not shown as an expense due to the profit or loss being for a combination of entities.

A monthly amount is paid to members during the year based upon an estimate of profit for the year with additional distributions dependent on the availability of funds. Amounts are typically retained in respect of members' estimated tax liabilities and released to members when the liability falls due.

Fixed capital is maintained which designated members contribute to in proportion to their investment. Capital can only be withdrawn with a reduction in investment or upon ceasing to be a member except where there is a return of capital to all members in proportion to their investment in the LLP. There is no opportunity for appreciation of the capital contributed.

### s. Provisions

A provision is recognised in the statement of financial position when the Combined Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

## 3. Critical accounting estimates and judgements

In the application of the accounting policies, which are described in note 2, the designated members of MHA are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the revision is made.

*Fair value of capital points and gain on bargain purchase*

The fair value of the financial liabilities for capital points and the beneficial interest is consistent with, and only trivially different from the nominal amounts payable. That is because the liabilities have no contractual interest rate applicable and are also contractually repayable within a period of about 6 months or less.

The element of the allocated capital points relating to post-retirement payments of capital value and profit-related payments per capital point, which may crystallize for good leavers, is conditional on future service by the former owners/partners and hence is not part of the business combination transactions as per IFRS 3:52. This has resulted in a gain on bargain purchase on the acquisition of Moore and Smalley LLP on 1 April 2025 as detailed in note 22.

## 4. Revenue

The Combined Group generates revenue primarily from professional services provided to clients. There are no customers that make up more than 10% of revenue in the years ended 31 March 2025, and 31 March 2024.

| **Geographical reporting** | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| United Kingdom | 212,455 | 149,448 |
| Ireland | 6,202 | - |
| Cayman Islands | 5,493 | 4,589 |

| | | |
|---|---|---|
| | 224,151 | 154,037 |

## 5. Other operating income

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| Other income | 1,891 | 536 |
| | 1,891 | 536 |

Other income includes commissions and compensation payments received.

## 6. Segmental reporting

The Chief Operating Decision Maker ("CODM") has been identified as the Board of MHA and that of MHHL, which comprise the same individuals. The CODM reviews the Combined Group's internal reporting in order to assess performance and allocate resources. The CODM has determined that there is one operating segment being the provision of professional services. Information about geographical revenue is disclosed in note 4.

## 7. Employee benefit expenses

Employee benefit expenses (excluding members) comprise:

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| Wages and salaries | 75,951 | 47,846 |
| Social security costs | 7,246 | 3,994 |
| Other pension costs | 6,680 | 3,931 |
| Other staff costs | 25 | - |
| | 89,902 | 55,771 |

## 8. Members' share of profits

Profits are shared amongst members in accordance with profit sharing arrangements. Members are required to make their own provision for pensions from their profit shares.

| | Year ended 31 March 2025 No. | Year ended 31 March 2024 No. |
|---|---|---|
| Average number of members | 147 | 97 |

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| Remuneration of highest paid member | 2,374 | 2,004 |
| Average profit per member | 565 | 581 |

## 9. Operating profit

Operating profit is stated after charging:

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| Depreciation of property, plant and equipment | 888 | 641 |
| Amortisation of intangibles | 1,131 | 195 |
| Amortisation of right-of-use assets | 3,411 | 2,692 |
| Loss on disposal of property, plant and equipment | 74 | 1 |
| Loss on disposal of right-of-use assets | 44 | 6 |
| Expected credit losses | 756 | 623 |
| Exchange losses | 132 | 68 |

## 10. Finance income

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| Lease receivable interest | 94 | 107 |
| Bank interest receivable | 718 | 935 |
| | 812 | 1,042 |

## 11. Finance expense

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| Interest on bank loans | 96 | 121 |
| Interest on lease liabilities | 972 | 771 |
| Interest on lease dilapidations | 116 | 71 |
| Other interest paid | 110 | - |
| | 1,294 | 963 |

## 12. Other gains/ (losses)

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| Gain on bargain purchase | 6,843 | - |
| Gain/(loss) on disposal of lease | 85 | (6) |
| | 6,928 | (6) |

## 13. Taxation

Income tax payable on the profits of MHA and other partnerships consolidated within the Combined Group is solely the personal liability of the individual members of those partnerships and consequently is not dealt with in the financial statements. Corporation tax is charged on the profits of the companies within the Combined Group.

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| **Analysis of credit in the year** | | |
| UK tax for the current year | 2,828 | 1,883 |

| | | |
|---|---|---|
| Adjustments in respect of previous periods | - | 13 |
| Total current tax | 2,828 | 1,896 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | (28) | (41) |
| Total deferred tax | (28) | (41) |
| **Total taxation expense** | 2,800 | 1,855 |

Factors affecting tax charge for the year

The standard rate of corporation tax in the UK as at 31 March 2025 was 25% (31 March 2024: 25%). The UK rate of corporation tax increased to 25% from the first of April 2023 on profits over £250,000. The differences are explained below:

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| Profit before tax | 85,872 | 58,180 |
| Tax at the Combined Group's weighted average tax rate of 25% (2024: 25%) | 21,468 | 14,545 |
| Adjustment for profits taxed outside of Combined Group | (18,387) | (12,779) |
| Expenses not deductible for tax purposes | (287) | 94 |
| Adjustments in respect of prior periods | - | 13 |
| Short term timing differences | (28) | (41) |
| Utilisation of tax losses | 34 | 21 |
| Fixed asset temporary differences | - | 2 |
| **Total taxation** | 2,800 | 1,855 |

| | Year ended 31 March 2025 £'000 | Year ended 31 March 2024 £'000 |
|---|---|---|
| Corporation tax liability | 2,382 | 1,394 |
| | 2,382 | 1,394 |

## 14. Property, plant and equipment

| | Leasehold improvements £'000 | Fixtures and fittings £'000 | IT equipment £'000 | Motor vehicles £'000 | Assets under construction £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| 1 April 2023 | 4,014 | 2,179 | 5 | - | - | 6,198 |
| Additions | 158 | 85 | - | - | 8 | 251 |
| Additions - acquisitions | - | 117 | - | - | - | 117 |
| Disposals | (192) | (542) | - | - | - | (734) |
| At 31 March 2024 | 3,980 | 1,839 | 5 | - | 8 | 5,832 |
| **Depreciation** | | | | | | |
| 1 April 2023 | 1,730 | 1,596 | 5 | - | - | 3,331 |
| Charge for the year | 402 | 239 | - | - | - | 641 |
| Disposals | (192) | (541) | - | - | - | (733) |
| At 31 March 2024 | 1,940 | 1,294 | 5 | - | - | 3,239 |
| **Net book value** | | | | | | |
| At 31 March 2024 | 2,040 | 545 | - | - | 8 | 2,593 |
| | | | | | | |
| **Cost** | | | | | | |
| 1 April 2024 | 3,980 | 1,839 | 5 | - | 8 | 5,832 |
| Additions | 866 | 1,105 | - | 44 | 13 | 2,028 |
| Additions - acquisitions | 1,105 | 23 | - | 29 | - | 1,157 |
| Transfers | - | 8 | - | - | (8) | - |
| Disposals | (313) | (317) | - | (46) | - | (676) |
| At 31 March 2023 | 5,638 | 2,658 | 5 | 27 | 13 | 8,341 |
| **Depreciation** | | | | | | |
| 1 April 2024 | 1,940 | 1,294 | 5 | - | - | 3,239 |
| Charge for the year | 570 | 313 | - | 5 | - | 888 |
| Disposals | (313) | (299) | - | (20) | - | (632) |
| At 31 March 2025 | 2,197 | 1,308 | 5 | (15) | - | 3,495 |
| **Net book value** | | | | | | |
| At 31 March 2025 | 3,441 | 1,350 | - | 42 | 13 | 4,846 |

Depreciation charge is recognised in administrative expenses in profit or loss.

## 15. Intangible assets

| | Goodwill £'000 | Customer relationships £'000 | Software £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| 1 April 2023 | 8,307 | 708 | 256 | 9,271 |
| Additions | - | - | 1 | 1 |
| Additions - acquisitions | 3,985 | 3,524 | - | 7,509 |
| At 31 March 2024 | 12,292 | 4,232 | 257 | 16,781 |
| **Amortisation** | | | | |
| 1 April 2023 | - | 36 | 244 | 280 |
| Charge for the year | - | 187 | 8 | 195 |
| At 31 March 2024 | - | 223 | 252 | 475 |
| **Net book value** | | | | |
| At 31 March 2024 | 12,292 | 4,009 | 5 | 16,306 |
| | | | | |
| **Cost** | | | | |
| 1 April 2024 | 12,292 | 4,232 | 257 | 16,781 |
| Additions - acquisitions | 1,263 | 7,295 | - | 8,558 |
| At 31 March 2025 | 13,555 | 11,527 | 257 | 25,339 |
| **Amortisation** | | | | |
| 1 April 2024 | - | 223 | 252 | 475 |
| Charge for the year | - | 1,126 | 5 | 1,131 |
| At 31 March 2025 | - | 1,349 | 257 | 1,606 |
| **Net book value** | | | | |
| At 31 March 2025 | 13,555 | 10,178 | - | 23,733 |

Amortisation charge on software is recognised in administrative expenses in the profit or loss account

**Goodwill**

Goodwill arising on the acquisition of a business in the period relates to the acquisition of Roberts Nathan LP and was calculated as the fair value of initial consideration paid less the fair value of identifiable assets at the date of acquisition (see Note 22).

**Goodwill impairment review**

Goodwill is allocated to one single cash-generating unit ("CGU") throughout the financial being Professional Services.

Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measurement at cost less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

**Key assumptions used in value in use calculation**

The key assumptions for the value in use calculation are those regarding:

- number of years of cash flows used and forecast growth rate;
- discount rate; and
- terminal growth rate.

No impairment is indicated for the CGU using the value in use calculation.

**Number of years of cash flows used and forecast growth rate**

The recoverable amount of the CGU is based on a value in use calculation using specific cash flow projections over a five-year period and a terminal growth rate thereafter. The budget for the following financial year forms the basis for the cash flow projections for the CGU. The cashflow projections for the four years subsequent to the forecast year reflect a modest growth rate of [2%].

**Discount rate**

The Combined Group's pre-tax weighted average cost of capital has been used to calculate a discount rate of 14.51% for Professional Services. This reflects current market assessments of the time value of money for the period under review and the risks specific to the Combined Group and company acquired.

**Terminal growth rate**

An appropriate terminal growth rate is selected, based on the designated members expectations of growth beyond the five-year period. The terminal growth rate used is[2%.

**Sensitivity to changes in assumptions**

With regard to the value in use assumptions, the designated members believe that reasonable possible changes in any of the above key assumptions would not cause the carrying value of the unit to exceed its recoverable amount.

## 16. Trade and other receivables

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| Trade receivables | 46,899 | 36,744 |
| Contract assets | 8,124 | 7,435 |
| Other receivables | 5,927 | 2,173 |
| Prepayments | 5,523 | 4,325 |
| Current tax assets | 6 | 6 |
| | 66,479 | 50,683 |

Other receivables include amounts receivable from insurers in relation to professional indemnity claims. Information about the Combined Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 23.

## 17. Cash and cash equivalents

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| Cash at bank | 18,768 | 25,956 |
| | 18,768 | 25,956 |

## 18. Trade and other payables

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Trade payables | 2,423 | 3,645 |
| Other payables | 8,923 | 7,519 |
| Social security and other taxation | 6,791 | 4,879 |
| Accruals | 9,676 | 5,046 |
| Deferred consideration | 1,621 | 3,128 |
| | 29,434 | 24,217 |
| **Amounts falling due after one year** | | |
| Deferred consideration | 1,832 | 2,045 |
| | 1,832 | 2,045 |

## 19. Borrowings

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| **Current** | | |
| Bank loans | 66 | 20 |
| | 66 | 20 |
| **Non-current** | | |
| Bank loans | 1,084 | 90 |
| | 1,084 | 90 |
| **Total borrowings** | 1,150 | 110 |

A maturity analysis of the Combined Group's borrowings is shown below:

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| Less than 1 year | 66 | 20 |
| Later than 1 year and less than 5 years | 1,084 | 90 |
| Later than 5 years | - | - |
| | 1,150 | 110 |

Bank loans include a loan with an interest rate of 1% above the UK base rate and is repayable on the date of retirement of certain partners of MHA. In the absence of any contrary information the anticipated retirement date for partners of MHA is 65.

Bank loans also include a loan entered into during the year with an interest rate of 1.75% above the UK base rate repayable 5 years after the first drawdown of the loan.

Bank loans are measured at amortised cost using the effective interest rate method.

## 20. Leases

The Combined Group as a lessee

*Nature of leasing activities*

| | 31 March 2025 No. | 31 March 2024 No. |
|---|---|---|

| | | |
|---|---|---|
| Number of active leases | 26 | 25 |

*Extension, termination, and break options*

The Combined Group negotiates extension, termination, or break clauses in its leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. A lease includes all non-cancellable periods and periods covered by options to extend or terminate the lease if it is reasonably certain that these options will be exercised. On a case-by-case basis, the Combined Group will consider whether the absence of a break clause would expose the Combined Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- the length of the lease term;
- the economic stability of the environment in which the property is located; and
- whether the location represents a new area of operations for the Combined Group.

As at 31 March 2025, materially all leases were reasonably certain to end on the exit date of the lease, with no extension or termination clauses being executed. As such there are no additional future cash outflows to which the Combined Group is potentially exposed that are not reflected in the measurement of lease liabilities, as detailed in this Note.

*Incremental borrowing rate*

The Combined Group has adopted a rate with a range of 3.40% - 8.55% as its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. This rate is used to reflect the risk premium over the borrowing cost of the Combined Group measured by reference to the Combined Group's facilities.

*Short term or low value lease expense*

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| Short-term and low value lease expense | 412 | 385 |

**Right-of-use assets**

| | Leasehold property £'000 | Equipment £'000 | Total £'000 |
|---|---|---|---|
| **Cost** | | | |
| 1 April 2023 | 18,353 | 771 | 19,124 |
| Additions | 3,049 | 23 | 3,072 |
| Disposals | (550) | - | (550) |
| At 31 March 2024 | 20,852 | 794 | 21,646 |
| **Amortisation** | | | |
| 1 April 2023 | 4,110 | 233 | 4,343 |
| Charge for the year | 2,500 | 192 | 2,692 |
| Disposals | (482) | - | (482) |
| At 31 March 2024 | 6,128 | 425 | 6,553 |
| **Net book value** | | | |
| At 31 March 2024 | 14,724 | 369 | 15,093 |
| | | | |
| **Cost** | | | |
| 1 April 2024 | 20,852 | 794 | 21,646 |
| Additions - acquisitions | 1,971 | 53 | 2,024 |
| Additions | 3,485 | 123 | 3,608 |
| Disposals | (422) | (83) | (505) |
| At 31 March 2025 | 25,886 | 887 | 26,773 |
| **Depreciation** | | | |
| 1 April 2024 | 6,128 | 425 | 6,553 |
| Charge for the year | 3,181 | 230 | 3,411 |
| Disposals | (422) | (83) | (505) |
| At 31 March 2025 | 8,887 | 572 | 9,459 |
| **Net book value** | | | |
| At 31 March 2025 | 16,999 | 315 | 17,314 |

**Lease liabilities**

| | Leasehold property £'000 | Equipment £'000 | Total £'000 |
|---|---|---|---|
| 1 April 2023 | 17,208 | 527 | 17,735 |
| Additions | 2,600 | 23 | 2,623 |
| Interest expense | 750 | 21 | 771 |
| Lease payments | (3,190) | (206) | (3,396) |
| Disposals | (62) | - | (62) |
| At 31 March 2024 | 17,306 | 365 | 17,671 |
| | | | |
| 1 April 2024 | 17,306 | 365 | 17,671 |
| Additions arising on acquisition | 1,736 | 50 | 1,786 |
| Additions | 3,225 | 150 | 3,375 |
| Interest expense | 948 | 24 | 972 |
| Lease payments | (3,879) | (248) | (4,127) |
| At 31 March 2025 | 19,336 | 341 | 19,677 |

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| Current | 3,238 | 2,886 |
| Non-current | 16,439 | 14,785 |

| | | |
|---|---|---|
| **Total lease liabilities** | 19,677 | 17,671 |

*Reconciliation of minimum lease payments and present value*

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| Within 1 year | 3,978 | 3,599 |
| Later than 1 year and less than 5 years | 14,660 | 12,176 |
| After 5 years | 4,635 | 4,478 |
| Total including interest cash flows | 23,273 | 20,253 |
| Less: interest cash flows | (3,596) | (2,582) |
| **Total principal cash flows** | 19,677 | 17,671 |

The Combined Group as a lessor

The Combined Group sublets leased properties which are accounted for as finance leases.

**Lease receivable**

| | Leasehold property £'000 |
|---|---|
| 1 April 2023 | 2,788 |
| Interest income | 107 |
| Lease payments received | (434) |
| At 31 March 2024 | 2,461 |
| | |
| 1 April 2024 | 2,461 |
| Interest income | 94 |
| Lease payments received | (434) |
| At 31 March 2025 | 2,121 |

*Reconciliation of minimum lease payments and present value*

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| Within 1 year | 434 | 434 |
| Later than 1 year and less than 5 years | 1,735 | 1,735 |
| After 5 years | 204 | 637 |
| Total including interest cash flows | 2,373 | 2,806 |
| Less: interest cash flows | (252) | (345) |
| **Total principal cash flows** | 2,121 | 2,461 |

## 21. Deferred tax

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| **Deferred tax** | | |
| Opening balance | 5 | (37) |
| Credited to income statement | 33 | 42 |
| **Net deferred tax asset** | 38 | 5 |

Deferred tax liabilities comprise accelerated capital allowances on property plant and equipment and deferred tax on customer relationships acquired on acquisition.

Deferred tax assets relate to short-term timing differences.

Deferred tax assets and liabilities are presented separately when there is no legally enforceable right to offset balances.

## 22. Investment in subsidiaries and associates

MHA directly owns the entire issued and fully paid ordinary share capital of its subsidiary undertakings.

The subsidiary undertakings are presented below:

| **Subsidiaries and partnerships linked to the Combined Group** | **Country of incorporation** | **Principal activity** | **Holding** | **Proportion of ordinary shares held at each year end** | |
|---|---|---|---|---|---|
| | | | | **Direct** | **Indirect** |
| MacIntyre Hudson Service Limited | England & Wales | Dormant | Ordinary shares | 100% | |
| Blackfriars Tax Solutions LLP | England & Wales | Provision of tax services | Capital | 99% | |
| Cell MHA | Guernsey | Provision of insurance services | Insurance shares | | 100%* |
| Meston Reid Limited | Scotland | Dormant | Ordinary shares | 100% | |
| Moore and Smalley LLP | England & Wales | Provision of professional services | Ordinary shares | 100%** | |
| MacIntyre Hudson Ireland Limited | Ireland | Provision of professional services | Ordinary shares | 100%** | |
| Baker Tilly Ireland GP Limited | Ireland | Provision of professional services | Ordinary shares | | 100%** |

*MacIntyre Hudson LLP owns 100 insurance shares in White Rock Insurance Company PCC Limited which entitles it to 100% ownership and control of "Cell MHA" that is managed by trustees on behalf of MacIntyre Hudson LLP.

**These entities were acquired during the year ended 31 March 2025.

| Associates and partnerships linked to the Combined Group | Country of incorporation | Principal activity | Holding | Proportion of ordinary shares held at each year end | |
|---|---|---|---|---|---|
| | | | | **Direct** | **Indirect** |
| MacIntyre Hudson Holdings Limited[1] | England & Wales | Holding company | A Ordinary shares | Nil | |
| Baker Tilly Global Tax Solutions Limited | Ireland | Development of multinational client opportunities | Ordinary shares | 12.5% | |
| MacIntyre Hudson Advisory Services LLP | England & Wales | Provision of training services | Capital | 25% | |

[1]MacIntyre Hudson Holdings Limited ("MHHL") is an associate of MHA throughout the financial period as MHA's shareholding does not give it control over MHHL, however, MHHL is under common control by MHA's capital members and therefore the financial statements consolidate the results of MHA and subsidiaries and MHHL and subsidiaries on a combined basis.

The additional entities listed below are subsidiaries of MHHL whereby MHA does not directly own any of the share capital throughout the periods presented:

| MHHL subsidiaries under common control of the Combined Group | Country of Incorporation | Principal activity |
|---|---|---|
| MacIntyre Hudson Corporate Finance Limited | | Corporate finance |
| MHA Financial Solutions Limited | England & Wales | Asset financing |
| MacIntyre Hudson Limited | England & Wales | Provision of debt factoring services |
| MHA MacIntyre Hudson Consulting Limited | England & Wales | Consultancy |
| MHA Tax Safe Limited | England & Wales | Provision of tax services |
| MHA Wealth Management Holdings Limited | England & Wales | Holding company |
| MHA Caves Investment Management Limited | England & Wales | Holding company |
| MHA Caves Wealth Limited | England & Wales | Provision of financial services |
| MHA Trustees Corporation Limited | England & Wales | Non trading |

The registered office of the above entities is The Pinnacle, 150 Midsummer Boulevard, Milton Keynes, Buckinghamshire, MK9 1LZ, United Kingdom.

## 23. Business combinations

The Combined Group made a number of acquisitions throughout the year ended 31 March 2025, as detailed below.

Moore and Smalley LLP

On 1 April 2024, MacIntyre Hudson LLP completed the acquisition of the trade and assets of Moore and Smalley LLP for total consideration of £6,003k.

The principal reason for the acquisition was to enhance the services offered to existing clients of both firms, while expanding MHA's offering in the UK in line with the Group's growth strategy.

Given that following the acquisition, certain Moore and Smalley LLP operations were merged with MacIntyre Hudson LLP operations, disclosure of the contribution of the acquired business to the Group's revenues and profit in the period from 1 April 2024 to 31 March 2025 has been deemed impractical by management, as those revenue streams and customers cannot be disaggregated specifically to Moore and Smalley LLP and or identified since the date they merged with MacIntyre Hudson LLP, and were billed as MacIntyre Hudson LLP from this date.

The following table summarises the fair value of assets acquired, and liabilities assumed at the acquisition date:

| | Fair value £'000 |
|---|---|
| Assets | |
| Intangible asset – customer relationships | 6,921 |
| Property, plant and equipment | 719 |
| Right of use assets | 2,024 |
| Work in progress | 331 |
| Cash | 1,175 |
| Trade and other receivables | 8,944 |
| Liabilities | |
| Trade and other payables | (5,129) |
| Lease liabilities and provisions | (2,151) |
| **Total fair value** | 12,834 |
| | |
| Consideration | 6,003 |
| **Gain on bargain purchase** | (6,831) |

The fair values include recognition of intangible assets related to Moore and Smalley LLP customer relationships of £6,921k, which will be amortised over 10 years on a straight-line basis. The gain on bargain purchase of £6,831k is primarily as a result of the consideration being equal to that of the financial net assets acquired. The gain on bargain purchase of £6,831k is disclosed within the statement of comprehensive income.

| **Purchase consideration** | £'000 |
|---|---|
| Equity | 6,003 |
| **Total consideration** | 6,003 |

The net cash sum expended on acquisition in the year ended 31 March 2025 is as follows:

| **Analysis of cash flows on acquisition** | £'000 |
|---|---|
| Cash acquired at acquisition | 1,175 |
| **Net cash outflow on acquisition** | 1,175 |

On 3 April 2024 MHA LLP advanced loans to the former designated members of the Moore and Smalley Group of £1,504,000. The transactions are recognised separately from the business combination as they were agreed in separate negotiations and included in separate legal arrangements. The loans are repayable in quarterly instalments over a term of 10 years and are measured at amortised cost. Note 11 provides additional information on one of the constituent loans to a related party of the Combined Group.

Roberts Nathan LP

On 1 July 2024, MacIntyre Hudson LLP completed the acquisition of the trade and assets of Roberts Nathan LP for total consideration of £1,968k.

The principal reason for the acquisition was to combine Roberts Nathan LP's extensive local expertise with a strong international presence, significantly enhancing the firm's capability to offer a more comprehensive range of services and sector expertise and serve a broader client base in Ireland and globally.

Given the assets of Roberts Nathan LP were transferred to MHA on acquisition and the information on Roberts Nathan LP as a standalone business is not available, disclosure of the contribution of the acquired business to the Group's revenues and profit in the period from 1 April 2024 to 31 March 2025 has been deemed impractical by management.

The following table summarises the fair value of assets acquired, and liabilities assumed at the acquisition date, the presentation is detailed in both €'s and £'s reflecting both the transactions' original currency and the Combined Group's reporting currency:

| | Fair value £'000 | Fair value €'000 |
|---|---|---|
| Assets | | |
| Intangible asset – Customer relationships | 374 | 450 |
| Property, plant and equipment | 408 | 490 |
| Trade and other receivables | 10 | 12 |
| Liabilities | | |
| Work in progress | (2) | (3) |
| Trade and other payables | (89) | (104) |
| **Total fair value** | 701 | 845 |
| | | |
| Consideration | 1,968 | 2,363 |
| **Goodwill** | 1,267 | 1,518 |

The fair values include recognition of intangible assets related to Roberts Nathan LP customer relationships of £374k, which will be amortised over 10 years and 9 months on a straight-line basis. The goodwill of £1,267k comprises the potential value of new customers as well as the value of the workforce in place, which are not separately recognised. Acquisition costs totalled £77k and are accounted for within the statement of comprehensive income.

| **Purchase consideration** | £'000 | €'000 |
|---|---|---|
| Cash | 1,179 | 1,418 |
| Deferred consideration – cash | 460 | 550 |
| Net asset payment | 331 | 398 |
| Work in progress payment | (2) | (3) |
| **Total consideration** | 1,968 | 2,363 |

The net cash sum expended on acquisition in the year ended 31 March 2025 is as follows:

| **Analysis of cash flows on acquisition** | £'000 | €'000 |
|---|---|---|
| Cash paid as consideration on acquisition | (1,179) | (1,418) |
| **Net cash outflow on acquisition** | (1,179) | (1,418) |

Roberts Nathan Financial Services Limited

On 1 September 2024, MacIntyre Hudson LLP completed the acquisition of 80% of the trade and assets of Roberts Nathan Financial Services Limited for total consideration of £(12)k.

The principal reason for the acquisition was to enhance the services offered to existing clients, while expanding MHA's offering in Ireland in line with the Group's growth strategy.

Given the assets of Roberts Nathan Financial Services Limited were transferred to MHA on acquisition and the information on Roberts Nathan Financial Services Limited as a standalone business is not available, disclosure of the contribution of the acquired business to the Group's revenues and profit in the period from 1 September 2024 to 31 March 2025 has been deemed impractical by management. Similarly, disclosure of the revenue and profit of Roberts Nathan Financial Services Limited would have contributed if the acquisition had occurred on 1 April 2024 is also deemed impractical.

The following table summarises the fair value of assets acquired, and liabilities assumed at the acquisition date, the presentation is detailed in both €'s and £'s reflecting both the transactions' original currency and the Combined Group's reporting currency:

| | Fair value £'000 | Fair value €'000 |
|---|---|---|
| Assets | | |
| Property, plant and equipment | 31 | 36 |
| Trade and other receivables | 37 | 44 |
| Cash | 1 | 1 |
| Liabilities | | |
| Trade and other payables | (13) | (16) |

| | | |
|---|---|---|
| Borrowings | (56) | (65) |
| **Total fair value** | - | - |
| NCI – 20% | (3) | (4) |
| | | |
| Consideration | (12) | (15) |
| **Gain on bargain purchase** | (15) | (19) |

The fair values include recognition of intangible assets related to Roberts Nathan Financial Services Limited customer relationships of £Nil. The negative goodwill of £15k is primarily as a result of the negative consideration calculated. MHA has elected to measure the non-controlling interest of 20% using the partial goodwill method. The negative goodwill of £15k is disclosed within the statement of comprehensive income.

| **Purchase consideration** | £'000 | €'000 |
|---|---|---|
| Cash | 21 | 25 |
| Net asset payment | (33) | (40) |
| **Total consideration** | (12) | (15) |

The net cash sum expended on acquisition in the year ended 31 March 2025 is as follows:

| **Analysis of cash flows on acquisition** | £'000 | €'000 |
|---|---|---|
| Cash consideration received due to net negative consideration | 12 | 15 |
| Cash acquired at acquisition | 1 | 1 |
| **Net cash inflow on acquisition** | 13 | 16 |

**24. Transactions with owners**

On 17 October 2024, MHA exercised a call option to acquire the remaining 35,484 shares in MHA Caves Investment Management Limited ("Caves") for cash consideration of £4,277k, reducing the non-controlling interest in Caves from 49% to 0%. The difference between MHA's existing share of the net assets of Caves at the date of the acquisition date and the consideration paid has been adjusted through equity as a transaction with owners, given MHA already controlled Caves following the acquisition of 51% of Caves on 31 March 2022. Details of the transaction with owners adjusted through equity are included below:

| | £'000 |
|---|---|
| MHA's share of net assets in Caves | 1,820 |
| Consideration | 4,277 |
| Transaction with owners – adjusted through equity | 2,457 |

**25. Financial instruments**

**Financial assets**

Financial assets measured at amortised cost comprise trade receivables, other receivables and cash. It does not include contract assets or prepayments.

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| Trade receivables | 46,899 | 36,744 |
| Other receivables | 5,927 | 2,173 |
| Cash and cash equivalents | 18,768 | 25,956 |
| | 71,594 | 64,873 |

**Financial liabilities**

Financial liabilities measured at amortised cost comprise trade and other payables, and borrowings. It does not include taxation and social security.

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| Trade payables | 2,423 | 3,645 |
| Other payables | 8,923 | 7,519 |
| Accruals | 9,676 | 5,046 |
| Deferred consideration | 3,453 | 5,173 |
| Bank loans | 1,150 | 110 |
| | 25,625 | 21,493 |

Fair value of financial assets and liabilities approximates to their carrying value.

The above excludes member's capital and other member's interest classified as liabilities. The below table reconciles members interests, whereby the members capital is due after more than one year, and all other members interest are due within one year:

| **Members liabilities** | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| **Current** | | |
| Other amounts classified as debt | 40,975 | 34,706 |
| | 40,975 | 34,706 |
| **Non-current** | | |
| Members capital classified as a liability | 14,077 | 13,359 |
| | 14,077 | 13,359 |
| | 55,052 | 48,065 |

**Financial risk management**

The Combined Group is exposed through its operation to the following financial risks: credit risk, liquidity risk and market risk. MHA's designated members have overall responsibility for the establishment and oversight of the Combined Group's risk management framework. The Combined Group's risk management policies are established to identify and analyse the risks faced by the Combined Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Combined Group's activities. The Combined Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Combined Group finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade debtors and trade payables which arise directly from the Combined Group's operations.

*Credit risk*

Credit risk is the risk of financial loss to the Combined Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, of which the risk is assessed and managed in accordance with IFRS 9. Credit risk arises principally from the Combined Group's receivables from customers and from cash balances held at banks. To minimise the Combined Group's credit risk on receivables from customers, the Combined Group endeavours only to deal with clients which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The process for monitoring creditworthiness includes a thorough assessment of credit risk, incorporating historical and forward-looking information. The Combined Group mitigates credit risk arising on cash balances held at banks by using only reputable financial institutions with a high credit rating, in line with IFRS 9 requirements. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes to the financial statements.

The receivables' age analysis is evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information, to estimate ECLs accurately. Impairments to trade receivables have been made in each of the years detailed in the financial statements.

The exposure to credit risk for trade receivables by geographic region was as follows:

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| United Kingdom | 46,615 | 36,144 |
| Cayman Islands | 284 | 600 |
| | 46,899 | 36,744 |

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers.

| **As at 31 March 2024** | < 30 days £'000 | 30–60 days £'000 | 61-90 days £'000 | 91-180 days £'000 | >180 days £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.1% | 0.3% | 2.5% | 16.4% | 91.7% | 4.2% |
| Total gross carrying amount | 24,852 | 7,993 | 2,303 | 1,894 | 1,332 | 38,374 |
| Expected credit loss | (19) | (22) | (58) | (310) | (1,221) | (1,630) |
| Total | 24,833 | 7,971 | 2,245 | 1,584 | 111 | 36,744 |

| **As at 31 March 2025** | < 30 days £'000 | 30–60 days £'000 | 61-90 days £'000 | 91-180 days £'000 | >180 days £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 0.1% | 0.3% | 0.8% | 7.4% | 93.3% | 101.8% |
| Total gross carrying amount | 30,974 | 9,513 | 4,047 | 2,479 | 2,272 | 49,285 |
| Expected credit loss | (24) | (29) | (31) | (182) | (2,120) | (2,386) |
| Total | 30,950 | 9,484 | 4,016 | 2,297 | 152 | 46,899 |

The Combined Group applies the IFRS 9 simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. The Combined Group do not provide credit terms on sales, all invoices issued by the Combined Group are payable upon presentation. However, per management's assessment it is assumed that invoices will be settled within 30 to 60 days. Given the preference for immediate payment, a credit risk exposure at each period end, as a result of a significant change in economic conditions, is unlikely. Therefore, management have determined forward-looking economic scenarios are less significant in determining an estimate of expected future losses. However, the Combined Group still incorporates reasonable and supportable forward-looking information alongside historical data and management knowledge in calculating the ECL balance.

*Liquidity risk*

The Combined Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Combined Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Combined Group's undiscounted cash flows arising from financial liabilities is shown below:

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| *Less than one year:* | | |
| Trade and other payables | 21,021 | 16,210 |
| Bank loans | 67 | 23 |
| Deferred consideration | 1,621 | 3,128 |
| | 22,709 | 19,361 |
| *Later than 1 year and less than 5 years:* | | |
| Bank loans | 1,084 | 90 |
| Deferred consideration | 1,832 | 2,045 |
| | 2,916 | 2,135 |
| *Later than 5 years:* | | |
| Bank loans | - | - |
| Total including interest cash flows | 25,625 | 21,496 |
| Less: interest cash flows | (1) | (3) |
| Total principal cash flows | 25,624 | 21,493 |

A maturity analysis of lease liabilities is included in note 19.

*Market risk*

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Combined Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Foreign exchange risk*

The Combined Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Combined Group companies. The functional currencies of the Combined Group companies are primarily Pounds Sterling (GBP) and US Dollars (USD). The currencies in which these transactions are primarily denominated are GBP, EUR and USD.

The Combined Group focuses on implementing natural hedging instruments by matching the currencies of its sales and related purchases. So far, the Combined Group does not make use of any financial hedging instruments.

The carrying amounts of the Combined Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| Net foreign currency financial assets/(liabilities): | | |
| EUR | 2,115 | 431 |
| USD | 2,225 | 2,377 |
| Other | 24 | (27) |
| | 4,364 | 2,781 |

A reasonably possible strengthening/(weakening) GBP against the Combined Group's primary currencies at 31 March 2025 and 31 March 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss. Management assesses the impact of the movement in foreign exchange to be immaterial to the Combined Group given the net foreign currency assets and liabilities are immaterial.

*Interest rate risk*

The Combined Group aims to mitigate interest rate risk by entering into fixed-rate instruments. The Combined Group does not use any financial hedging instruments.

As at 31 March 2025, the Combined Group's current borrowings include a bank loan with an interest rate of 1% over the Bank of England Base Rate, the balance of borrowings being £66,000 as at 31 March 2025, this amount represents the principal and accrued interest. No sensitivity analysis has been performed as management assess the impact to be immaterial.

Bank loans also include a loan entered into during the year with an interest rate of 1.75% above the UK base rate repayable 5 years after the first drawdown of the loan, the balance being £1,060,000 as at 31 March 2025.

*Capital Disclosures*

The capital structure of the business consists of cash and cash equivalents, debt and equity. Equity comprises members' interests and accumulated profits and is equal to the amount shown as 'Invested capital' in the statement of financial position. At 31 March 2025, debt comprised £1,150,000 which is set out in further detail in note 18.

The Combined Group's current objectives when maintaining capital are to:

- safeguard the Combined Group's ability as a going concern so that it can continue to pursue its growth plans;
- provide a reasonable expectation of future returns to shareholders; and
- maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Combined Group sets the amount of capital it requires in proportion to risk. The Combined Group manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain or adjust the capital structure, the Combined Group may issue new shares or sell assets to reduce debt.

During the years ended covered within the financial statements, the Combined Group's business strategy remained unchanged.

## 26. Other provisions

| | 31 March 2025 £'000 | 31 March 2024 £'000 |
|---|---|---|
| **Non-current** | | |
| Lease liability dilapidations | 2,432 | 1,777 |
| Professional liability claims | 2,825 | 2,475 |
| | 5,257 | 4,252 |

The professional liability claims represent the estimated cost of defending and concluding claims. The vast majority of cases are estimated to be settled within three years and therefore discounting is not deemed to be material.

| | Lease dilapidation provisions *£'000* | Professional liability claims *£'000* | Total *£'000* |
|---|---|---|---|
| At 1 April 2023 | 1,373 | 2,950 | 4,323 |

| | | | |
|---|---|---|---|
| Additions | 448 | 525 | 973 |
| Interest expense | 71 | - | 71 |
| Payments | (115) | - | (115) |
| Disposals | - | (1,000) | (1,000) |
| At 31 March 2024 | 1,777 | 2,475 | 4,252 |
| | | | |
| At 1 April 2024 | 1,777 | 2,475 | 4,252 |
| Additions | 260 | 925 | 1,185 |
| Additions – acquisitions | 365 | - | 365 |
| Interest expense | 116 | - | 116 |
| Disposals | (86) | (575) | (661) |
| At 31 March 2025 | 2,432 | 2,825 | 5,257 |

As part of the Combined Group's property leasing arrangements there is an obligation to repair damages which occur during the life of the lease, such as wear and tear. These costs have been charged in line with IFRS 16 Leases and are included in the right-of-use assets. The provision is shown separately to the lease obligation liability. The provision is expected to be utilised between 2025 and 2039 when the leases terminate. Due to the significant number of leased properties and the difficulties in predicting expenditure that will be required on return of a property to the landlord many years into the future, the dilapidations provision is considered an estimate. The provision has been calculated using historical experience of actual expenditure incurred on dilapidations and estimated lease termination dates.

## 27. Capital and contingencies

**Capital and financial commitments**

The Combined Group held no capital, financial and or other commitments at 31 March 2025: (2024: none).

## 28. Related party transactions

There were no material changes in key management personnel terms or related party transactions, except for a loan of £195,000 was advanced to Mr Graham Gordon, a member of MHA's Board on 3 April 2024. The loan is unsecured, bears interest at a rate of 1.75% plus Bank of England base rate and is repayable quarterly over a term of 10 years. The amount outstanding at 31 March 2025 was £176,000.

*Key management personnel*

The Management Board of MHA are considered to be key management personnel in the financial statements. Total compensation paid to key management personnel in the year ended 31 March 2025 was £9,745,000 (2024: £7,703,000).

## 29. Ultimate controlling party

No one entity or individual has control over MHA.

## 30. Changes in liabilities from financing activities

| | 1 April 2024 £'000 | Financing cash flows £'000 | Interest expense £'000 | Other adjustments £'000 | 31 March 2025 £'000 |
|---|---|---|---|---|---|
| Bank loans | 110 | 944 | 96 | - | 1,150 |
| Lease liabilities | 17,671 | (4,127) | 972 | 5,161 | 19,677 |

| | | | | | |
|---|---|---|---|---|---|
| Total liabilities from financing activities | 17,781 | (3,183) | 1,068 | 5,161 | 20,827 |

| | 1 April 2023 £'000 | Financing cash flows £'000 | Interest expense £'000 | Other adjustments £'000 | 31 March 2024 £'000 |
|---|---|---|---|---|---|
| Bank loans | 3,275 | (3,286) | 121 | - | 110 |
| Lease liabilities | 17,735 | (3,397) | 771 | 2,562 | 17,671 |
| Total liabilities from financing activities | 21,010 | (6,683) | 892 | 2,562 | 17,781 |

## 31. Events after the reporting period

The Combined Group initiated a reorganisation process in connection with the Admission of the Company to the AIM Market on 15th April 2025 , the Reorganisation was undertaken by the Company to allow and facilitate the Company to become the ultimate holding company of the Group and to meet the regulatory requirements in the jurisdictions in which the Group operates.

The Company announced on11 August 2025 that it had acquired Baker Tilly South-East Europe, a leading professional services firm offering a comprehensive range of services to clients in Cyprus, Greece and South-East Europe, predominantly in audit, tax, advisory, legal and corporate services. The Group identified BTSEE as an ideal fit for MHA, noting its strong financial track record, growth potential, alignment of culture and complementary services to MHA.

MHA will pay to the vendors of BTSEE, 90% of the initial €20m equity value through an initial cash consideration of €5.4 million, plus €12.6 million to be satisfied through the issue of 10,862,069 new ordinary shares in the Company (the "Completion Consideration Shares"). The issue price of the Consideration Shares is equal to the IPO issue price of £1.00 per share Based off the Company's share price of 135.5p as at 8 August 2025, the value of the Consideration Shares is approximately €17.1 million. The remaining 10% equity value is payable through additional new ordinary shares to be issued in due course, which the vendors will contribute to the Company's Employee Benefit Trust ("EBT") with such number of shares to be determined following completion account adjustments, as detailed below.

A final balancing payment will be made to the vendors depending on net debt and working capital adjustments based off completion accounts. The payment will comprise a mix of cash and new ordinary shares in the Company. The vendors will contribute 10% of the total consideration receivable by them to the EBT in new ordinary shares. All consideration shares will be subject to lock-in and clawback arrangements as apply to the shares acquired by the existing MHA Partners on the IPO of the Company.

For the 12 months ended 31 December 2024, BTSEE generated sales of €19.4 million, adjusted EBITDA of €3.9 million and profit before tax of €2.5 million, after adjusting for partner remuneration. BTSEE's revenue has grown over the past four years at a compound average growth rate of 9% per annum. At 31 December 2024, BTSEE had net assets of approximately €1 million.

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